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HOUSE OF COMMONS

Friday, October 20, 1995

The House met at 10 a.m.

Prayers

POINTS OF ORDER

QUORUM

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, according to Standing Order 29(4) whenever the Speaker adjourns the House for want of a quorum, the time of adjournment and the names of the members then present shall be inserted in the *Journals*.

I was present yet my name was not recorded. I signed the sheet.

The Deputy Speaker: The hon. member signed the sheet and there is a mistake. It will be checked out and if somehow it has been lost, his name will be added in the journals branch, so he need not worry about that.

I thank you for bringing it to the attention of the House.

GOVERNMENT ORDERS

[*English*]

BRITISH COLUMBIA TREATY COMMISSION ACT

The House resumed from October 19 consideration of the motion that Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission, be read the second time and referred to a committee.

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Labour had the floor. The hon. member for Surrey North has the floor for 40 minutes on behalf of her party.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, on September 21, 1992 the federal government, the British Columbia provincial government and the summit, which is a group representing aboriginal groups involved in this matter, reached an agreement to establish a commission called the British Columbia Treaty Commission. It would aid in the treaty negotiation process by assisting the groups involved to become fully prepared for their role in this process.

In other words, the commission would not be directly involved in the actual negotiations but would ensure those persons who would be at the negotiation table would have arrived there fully prepared with all the *i*'s dotted and the *t*'s crossed. I am assuming the objective of this approach, i.e. the creation of a commission to facilitate, is to speed up the negotiating process and to ensure all parties are fully informed as to the nature and intent of the negotiating dialogue.

The September 21, 1992 agreement committed the three principals involved to establish this treaty commission via statutes in the case of the governments and a resolution in the case of the summit. This agreement also addressed the B.C. Treaty Commission's organization such as the membership, the terms of office, the location of the office, the quorum, the funding arrangements at least for the first five years, and so on. The agreement also identified the commission's mandates and its parameters.

It was all there on September 21, 1992. Very early in May 1993, less than one year later, the summit passed its resolution. Later that same month the B.C. legislature also passed its enabling legislation. However, here in October 1995, almost two and one–half to three years later, we are debating Bill C–107 which is the bill respecting the establishment of the B.C. Treaty Commission.

There has been an awareness of this need for legislation for some time, actually one year and three months since September. One can ask why this government is taking so long, since January 1994 for example when Parliament opened here, to carry out its obligations on this process.

The commission does exist but because of the delay in the passing of legislation here to establish it, it has been functioning informally. The fact that the commission has been functioning in our immediate past provides us here today with an insight as to the possible effectiveness of its role in the whole negotiating process to date.

For example, we have had some difficulties. In British Columbia six blockades were erected by the natives in the past year. One was a blockade on a road for private residences on Adams Lake near Kamloops that ran through an Indian reserve. Not far away was a two–week blockade disrupting business this spring at the Douglas Lake ranch after the ranch had asked

natives to stop net fishing on a lake that was privately stocked by the ranch. Only the delicate negotiations of the RCMP kept the peace and brought that blockade down.

A third blockade was outside Penticton. Three native bands disrupted last winter's season for the Apex ski resort with their so–called checkpoints on the access road that ran through the reserve.

Early this summer the province shelled out millions to a developer to buy waterfront property on Vancouver Island which was later discovered to be another burial ground. This triggered another obstruction.

• (1010)

Then in northern B.C. the Gitksan Indians, who are well into negotiating land claims, erected blockades to frustrate forestry operations on the land they wish to claim. Number six was Gustafsen Lake. The owners of the cattle ranch company at Gustafsen Lake were victimized by renegades who had no direct association with the North Shuswap band.

These behaviour patterns are not condoned and they are certainly not conducive toward achieving a constructive negotiating process. They are occurring regardless of the negotiations today and regardless of the commission's activity to date. Be it legal or illegal, behaviour patterns are occurring suggesting, first, that there is a frustration with the whole process, possibly partially due to delays such as the one we are experiencing today; and, second, that the present approach of the negotiations is not effective or at least not as effective as it should be.

In addressing the slowdowns or the delays, it is quite obvious in British Columbia how long the land negotiations have been dragging on. We can see that right across the country. Negotiations on the Nisga'a claim have carried on for some 23 years.

As negotiations proceeded into the 29th Parliament, which was 1972–74, the current Prime Minister was then the minister of Indian affairs. Negotiations continued on through the 30th Parliament of 1974–79 and again our Prime Minister was present. Negotiations marched on through the 31st Parliament of 1979–84 and our Prime Minister was there as well. As negotiations sped along during the 32nd and 33rd Parliaments of 1984–88 and 1988–93 respectively, our Prime Minister was in the opposition, except for a very brief period of time.

Now the Prime Minister has held a large majority in the 35th Parliament since October 1993 and here we are over two years later creating a commission to facilitate discussions between aboriginals, the B.C. government and the federal government. I wonder whether the right thing be done now on the treaty negotiations.

Another suggestion I mentioned earlier arises from the various behavioural signals we are getting, that is the possibility that the present approach for constructive negotiating is not effective or is not as effective as it should be. As I stated earlier, the commission is functioning in its facilitating role. Therefore, it should be preparing the parties involved for effective participation in the negotiating process.

Possibly it is this preparation aspect which may be the weakness in achieving the effective results for all those involved or for all those affected by the decisions which are being reached. Possibly the present method which we are using to prepare for these negotiations should be reviewed. We strongly recommend that the commission review this situation and insist that the parties involved listen to the concerns of both aboriginal and non–aboriginal peoples at the grassroots level and formulate their negotiating position with input from that source.

In our discussions with people at the grassroots level we found a common concern for jobs, public safety, health, racism, education, et cetera. We also found a common lack of understanding of the land claims and the self–government demands. We further found that there was a common mistrust of the federal department of Indian affairs and of politicians.

We recommend that the commission also promote the need for creating or establishing a fundamental change in the relationships between the aboriginals and governments, with less dependency on the federal government and more democratic control by the aboriginals over aboriginal governments. Our aim is to give aboriginals more responsibility for their own well–being, the tools to discharge that responsibility and more accountability for the results.

• (1015)

We strongly recommend that the commission prepare the parties involved to achieve that objective by incorporating the following principles into the agreements while they are at the negotiating table.

First, the development of democratic, accountable and responsible local governments on the reserves should be supported and subject to the laws of Canada and the provinces. Members will recall during the constitutional wranglings of the Mulroney government that aboriginal women were very concerned about protection of their individual fundamental rights and freedoms.

Second, aboriginal people on reserves should have access to the services of Elections Canada to guarantee democratic process is respected in band council elections and access to the services of the auditor general to maintain the fiscal accountability of local governments. We have been approached by band members who are very unhappy with what they view as this huge process in band elections and what they allege to be the misuse of band funds.

Third, land settlement processes should be not only fair, affordable and final but publicly negotiated and open to all the affected interests. The negotiations that led to Bills C–33 and C–34 being rushed through the House were not publicly conducted.

Fourth, individual aboriginals should be able to opt for private ownership of a share of any land entitlement and the property rights and reserves should be expanded and respected. Presently aboriginal farmers have difficulty getting operating loans for each crop year because they do not hold title. A newly formed aboriginal association, the First Nations Agriculture Association of Alberta, wants to address this and other related issues.

Fifth, aboriginals living on reserves should be able to receive federal financial transfers directly as other Canadians do rather than from a band council.

Sixth, direct federal funding of aboriginal political associations should end, allowing the aboriginals to decide which organizations they will support financially or otherwise. Why should anyone have to support something whose aims do not agree with his or hers?

Seventh, special tax exemptions for aboriginals provided for under the Indian Act should be rescinded and aboriginal individuals and companies should be subject to the same taxation laws as all Canadians. This would do much to counteract resentment and would give the aboriginals a stake in what happens in the federal government.

Eighth, existing treaties should be honoured in accordance with court interpretation and laws enacted by aboriginal governments should conform to the laws of Canada. Another point the commission could prepare the parties for discussing is Canadian law, including the Criminal Code. Laws should be enforced uniformly across the country regardless of race, language or culture of the victims or perpetrators of the crime.

In the Department of Indian Affairs and Northern Development policy guide on self–government listed among the subject matter where there are no compelling reasons for aboriginal governments or institutions to exercise law making authority are: maintenance of the national law and order and substantive criminal law including offences and penalties under the Criminal Code and other criminal laws, emergencies and the peace, order and good government power. That was page 7. We hope the minister will follow through on this commitment to universal application and enforcement of the Criminal Code.

A ninth principle for consideration at the table would be regional conventions of aboriginal representatives elected by aboriginals to discuss particular application of the principles of self–government. The commission can achieve the objective of giving aboriginals more responsibility for their own well–being and the tools to discharge that responsibility plus more accountability for the results by preparing the parties involved to negotiate the previously mentioned principles at the table.

• (1020)

Regarding the whole concept of treaty negotiations not specifically in the negotiating component, in British Columbia another concern comes to mind at this time. Article 13 of the British Columbia Terms of Union is: "The charge of the Indians and the trusteeship and management of lands reserved for their use and benefit shall be assumed by the dominion government".

The document goes on to say: "To carry out such policy, tracts of land of such extent as it has hitherto been the practice of the British Columbia government to appropriate for that purpose, shall from time to time be conveyed by the local government to the dominion government in trust for the use and benefit of Indians on application of the dominion government".

By order in council PC 1265, dated July 19, 1924, the federal government formally acknowledged that B.C. had satisfied all the obligations of article 13 respecting the furnishing of lands for Indian reserves and had described the process as "full and final settlement of all differences between the government of the dominion and the provinces".

One tends to think that would imply the negotiating aspect, as far as British Columbia is concerned, has been completed. However, here we are negotiating treaty settlements in British Columbia with British Columbia aboriginal groups which according to a release from British Columbia's aboriginal affairs minister will cost taxpayers some $10 billion.

In studying Bill C–107 I became concerned about some of the clauses. The first concern is there are several money spending clauses. For example, clause 6(3) assumes the commission has been functioning informally already, that any transactions which occurred previous to this will be assumed by the commission once this bill passes.

Clause 9 is remuneration and other terms and conditions of appointment of the commissioners. Here we are possibly talking about salaries or expenses, et cetera.

Clause 16 is a money clause which illustrates that the federal government will assume the financial responsibility of any claims or damages that the commission may incur. But it is directly related to the proportion of their original funding.

Clause 17 allows the commission to hire persons to assist it. In clause 5 allowances are made for the commission to have moneys to enable aboriginal groups to participate in the negotiations. Further to that, in clause 5(3)(c), should a dispute arise, money will be provided for the parties to prepare themselves to resolve the dispute.

Those money clauses are included in the bill. The agreement of September 1992 identifies a cost sharing program between the federal and provincial governments. It only addresses this issue for the first five years of the activities of the commission. No apparent indication is made of what occurs in the sixth year

or thereafter and no date is available in the whole process to say how long these negotiations in British Columbia will continue.

On the money concept a clause states that an annual budget will be presented to the principals. Considering all these points, auditing is essential. Clause 20 addresses the audit situation but it says:

> The accounts and financial transactions of the Commission shall be audited annually—

• (1025)

That is good.

> —by a qualified independent auditor designated by the Commission, and a report of the audit shall be made to the Commission.

It does not go any further than that. Considering that a portion of this is federal funding, it seems very logical to me that auditing of the federal funding portion at least should be done by the auditor general.

Clauses 18 and 22 are of concern as well. Clause 18 says:

> The Commission may make by-laws consistent with this Act and the Agreement—

The agreement in this case means the agreement of September 21, 1992.

> The Commission may make by-laws consistent with this Act and the Agreement respecting the carrying out of the work—

That in itself is all right. Clause 22 says:

> Nothing in this Act shall be interpreted as preventing the principals from amending the Agreement from time to time.

That is the September 21 agreement. I find that quite difficult from the point of view the whole bill is the agreement of September 21, 1992. Therefore, if the principals are to go back and change this agreement after the legislation has been passed, it is a logical follow through that the bill should be amended to incorporate the changes the principals have made to the initial agreement.

We offer qualified support to the establishment of the B.C. Treaty Commission and to Bill C–107. We are a little after the fact, but nevertheless we hope any discussions facilitated by the commission would include our recommendations which, as I said, come from the grassroots, both native and non–native.

The concerns of aboriginal people are Canadian concerns. They are concerned about jobs, personal safety, social service and control over their own government just like the rest of us are. We need to give aboriginals the same rights and responsibilities for meeting those concerns as other Canadians have.

We believe aboriginals will welcome the chance to free themselves from the paternalism of the department of Indian affairs, to assert a more genuine, democratic control over their own affairs and to realize brighter futures for themselves, for their children and their grandchildren.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am pleased to rise in my place today to join the debate on second reading of Bill C–107. The Government of Canada has maintained that providing justice and equity for aboriginal peoples requires two ingredients, self–government and the process of making modern day treaties through comprehensive claims.

Canadians have been wrestling with these issues for years. The Reform Party, for its part, has used the self–government issue to fan the flames of fear and apprehension during the debates over the Charlottetown accord and now it continues to stir up controversy in British Columbia through its misrepresentation of the treaty process.

I have heard hon. members opposite make a great deal of the media reports of the total First Nations' claims adding up to 110 per cent of the province. That total should not surprise us. Why should not the claims overlap one another? The First Nations have shared the land and its resources for centuries. They have migrated and tapped the resources of different locales at different times.

• (1030)

They have been asked as part of the treaty making process to describe the geographic area of the First Nations' traditional territory in British Columbia. They provided a map of the traditional areas of their ancestors which depicts a territory that a nation occupied historically. These maps are used to provide negotiators with a general idea of what area of land is under question, which is part of stage one of the process, the statement of intent.

A statement of intent is not a settlement. A claim is not a treaty. A treaty is a result of negotiations and the negotiations are just beginning. The claims are but the start of the bargaining position. No first nation would expect to receive the entire region described in its statement of intent. The First Nations do not expect fee simple title to the entire province.

When two First Nations have overlapping traditional claims they will settle the matter as the negotiations proceed. The federal and provincial governments do not participate in negotiating an overlapping settlement. However, several of the members across the floor, members who ought to know better, have been using the claims to instil fear among British Columbians.

They infer that these opening positions will lead to lost property for third parties across the province. They ask: "What will become of your cottages? What will happen to the jobs in the mining and forestry sectors? What will happen to the fisheries?" They raise these fears without adding that the treaty process provides for all sectors of British Columbia from cottage owners to the broad spectrum of industries to have a voice in the process.

They neglect to tell the people at the town hall meetings and on the radio talk shows that the Government of Canada consults with a treaty negotiations advisory committee representing many of their interests. They do not tell people that no negotiation can proceed until a regional advisory committee has been created to provide the views of British Columbians from that particular part of the province who are not at the negotiating table. They do not say any of these things.

This pattern of misinformation and fear mongering is typical of the tactics some members on the other side of the House have used to score cheap political points. They have often criticized the government for its dedication to the inherent right of self–government as a cornerstone of the Government of Canada's aboriginal policy.

We have said since the beginning, since the red book that provided our election platform, that we believe the inherent right to self–government to be an existing right within Canada's Constitution.

Hon. members of the third party have often made the case that no one has defined what self–government means. The argument that self–government has not been defined has been erected as an obstacle to prevent justice from getting through to the aboriginal communities across Canada. That argument speaks to the kind of meanspirited and narrow minded approach that has thwarted efforts to bring justice to aboriginal issues for years. It speaks for the tyranny of the status quo. It speaks for the preservation of the paternalism of the Indian Act.

Is that what Reform members want to uphold? Do they really want to impede progress, to impede righting past wrongs, to impede certainty, to impede economic stability, to impede job creation?

We want to make progress. One way we are doing it is by acknowledging that the inherent right to self–government is an existing right. We are now negotiating with First Nations on how that right is to be implemented.

No one wants to return to the constitutional debates to implement self–government. Self–government arrangements can be negotiated with individual communities based upon local culture, traditions and needs. That is exactly what we have been doing. That is how we are going about the process in British Columbia.

I remind the House, especially members of the third party who seem to specialize in misinformation and misunderstanding, of the six stages that a claim must go through before a treaty comes into effect. Hon. members will observe that it is a very thorough process.

In the first step a first nation files a statement of intent with the B.C. Treaty Commission. The commission makes sure that the statement is complete and forwards it to the federal and provincial governments. It is at this stage that the First Nations describe the geographic area in British Columbia that they consider to be their traditional territory. Forty–seven statements of intent have been filed. They represent over 70 per cent of the aboriginal people of British Columbia.

The second stage is the commission convenes a meeting to prepare for negotiations. All three parties exchange information, consider the criteria, discuss the research they will do to prepare for negotiations and identify issues of concern. Each party appoints a negotiator with a clear mandate. Each party establishes a ratification procedure and the parties agree upon the substantive and procedural matters that will be negotiated.

• (1035)

This is the stage at which the Canadian and British Columbia governments establish their own mechanisms for consultation with non–aboriginal interests. One of the requirements the B.C. Treaty Commission imposes on the two governments is the establishment of a regional consultative mechanism to represent third party interests. It imposes that.

When a commission determines that all three parties have met the criteria for readiness it confirms that they can proceed to stage three. This is where all three parties negotiate a framework agreement, a negotiated agenda, and identify the issues to be negotiated, the goals of the negotiation process, special procedural arrangements and a timetable for negotiations. So far four framework agreements have been signed and another three initialled by negotiators.

It is in the fourth stage of the treaty process that the parties negotiate an agreement in principle. These are the substantive negotiations. The parties examine the framework in detail.

Then the fifth stage is that the principals negotiate to finalize the treaty and remaining technical and legal issues are then resolved at this stage.

The sixth and final stage is the implementation of the treaty. Long term implementation plans need to be tailored to specific agreements.

All commissioners have agreed that significant progress has been made in the treaty process. The BCTC process is working. The process is fair. It is equitable and it is open. No one denies the negotiations ahead will be tough. Negotiations are tough. All negotiations are tough. There are some very complex issues that must be brought to the table.

It is time we settled these land claims so that all British Columbians, aboriginals and non–aboriginals, can get on with the job of building a prosperous society in our province, a society where all groups can enjoy the wealth, the resources that the province has to offer. This will benefit all British Columbians and all Canadians.

I hope I have said it slowly enough so that the third party across the House can understand. It is time.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I listened with interest to the government talking about dealing with the issue of land claims negotiations quickly and resolving the problems.

We heard of an Indian settlement area on the west coast that has been working for 23 years to resolve these issues. A whole generation has spent time negotiating with governments that obviously have not come to any sort of agreement. The negotiation is still not finished after 23 years.

My colleagues and I agree that it is very important to get on with the job to settle the land claim issue and to negotiate with the aboriginal people. However it is not right for the government to hold out unrealistic goals for aboriginal people. It is not fair to the aboriginal people to lead them to expect more than what they are likely to achieve through the process.

I spent 15 years living in an aboriginal community in northern Alberta. I spent three years working to prepare non–treaty settlement areas for self–government. I know the process. I have been through the process and it can be done successfully. However they have to be very realistic in their expectations of what government and the people will help them to achieve.

I do not think this government is any more able than the previous government unless it comes into these negotiations with a very realistic perspective.

I am concerned. I would like to ask a question of the hon. member for Vancouver Centre. Why has it taken the government over two years to come up with legislation to support the process which I feel may work in British Columbia? Why has it taken the government two years to address that issue?

• (1040)

Ms. Fry: Mr. Speaker, obviously three parties participate in the process: the Government of British Columbia, the Government of Canada and the summit. These three parties have to agree on what the framework will be to set up the whole treaty organization process. That takes a long time.

If the hon. member knows anything about negotiations, and she just said she did, you would understand also because you talked about—

The Deputy Speaker: I ask the hon. member to direct her remarks to the Chair.

Ms. Fry: The hon. member claimed that she understands negotiations. I would think the member would know that setting up the intent in an opening position is not what one ends up deciding on. Realistic agreements do not come until the process has taken place, until people have come to the table and have talked. Then they come with a settlement.

I do not think the hon. member understands negotiations at all.

Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I repeat my colleague's question to the member for Vancouver Centre. Why did Bill C–107, which recognizes the fact that we have B.C. Treaty Commission, take the government two years?

I do not want to get into a debate on levels of understanding of the process. It did not take the past two years to come to an agreement. The agreement was reached on September 21, 1992. In May 1993 the summit brought in its resolution. In May 1993 the B.C. government passed its resolution. In October 1995 we are debating it. Why so long? This is a typical example of the 23 years or however long it has taken on these issues. Why did it take two years for the government to bring it to the table now?

Ms. Fry: Mr. Speaker, I really thought I had answered that question. However it is obvious I have to repeat it so it is understood.

Getting three groups together to come to an agreement to write a piece of legislation takes time and agreement on every single part of the legislation before it can be brought to the table. This is a very technical and difficult process. We need to ensure when the legislation is done and on the table that everyone can agree to sign and can believe and trust it. It takes time to work that ground to ensure there is trust and there is agreement on the process.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

It is both a pleasure and an honour to speak to Bill C–107 today. The time has come to move forward on the issue. I am reminded of a comment made by the hon. member for Yorkton—Melville who, unlike his fellow members in the third party, does not realize this issue of land claims is what we have been talking about for many years. I refer to a quote of the hon. member for

Yorkton—Melville in the Melville *Advance*: "Nobody even talked about it for 20 years and suddenly we're asking how did this ever come to be". That is quite unlike the position put forward by his party colleagues who just spoke.

• (1045)

This is a very important bill and it is long overdue. However, the understanding should be that we are now at this stage and we should move forward on it. Today marks the culmination of a long and at times very difficult struggle. It is born of British Columbia's unique history. It is the product of many years of hard work and goodwill.

Fairness, clarity and justice are not issues of party politics; they are elements of principles we all share as Canadians. Over the decades many people have played a part: people from various parties and political ideologies; people who share little in common except a desire to see justice done and to get on with building a brighter future for British Columbia.

To understand why in 1995 we are still talking about negotiating treaties, we need to look at our history. Unlike most other provinces, where treaties were signed to clarify jurisdiction over land and resources and to forge new relationships between First Nations and the newcomers to this great land, few treaties were ever concluded in British Columbia. As a result, some 124 years after becoming a province the key questions of unextinguished aboriginal claims and rights remain unresolved and the majority of the province remains subject to outstanding aboriginal land claims.

Few treaties were signed because of the position historically taken by the Government of British Columbia. From the late 1800s the position was that aboriginal rights had been extinguished prior to B.C.'s entry into Confederation in 1871, or if these rights did exist they were the exclusive responsibility of the federal government. In 1990, under the leadership of Premier Vander Zalm, of the Social Credit Party, B.C. reversed its longstanding position and the way was open to resolving these issues.

It is only fair to point out that one of the key players in convincing the provincial government to reverse its historical opposition to negotiating treaties was the B.C. minister of native affairs at the time, Mr. Jack Weisgerber. I know that many of my Reform Party friends will recognize Mr. Weisgerber's name. One of the early and enthusiastic architects of this process, Mr. Weisgerber now leads the provincial Reform Party in British Columbia.

Following on the heels of the B.C. government's decision, the Government of Canada and the B.C. government acted quickly to advance this process. Later that same year the federal minister of Indian and northern affairs, the Hon. Tom Siddon, along with Mr. Weisgerber and Bill Wilson, chairman of the First Nations Congress, agreed to establish a task force to make recommendations on the mandate and process for treaty negotiations.

By June of 1991 the B.C. claims task force had released its report. One of its key recommendations was the creation of the arm's length B.C. Treaty Commission. In the ten months that followed, representatives of Canada, B.C., and the First Nations Summit negotiated the British Columbia Treaty Commission agreement, which was the blueprint for the commission.

On September 21, 1992, the Prime Minister of Canada, the Right Hon. Brian Mulroney, Indian affairs minister Tom Siddon, and B.C. Premier Mike Harcourt and native affairs minister Andrew Petter joined with the First Nations Summit leadership in signing the B.C. Treaty Commission agreement. In the three years since, the commission has made great progress. To date, 47 First Nations groups, representing over 70 per cent of British Columbia's aboriginal peoples, have submitted statements of intent to negotiate. In the agreement creating the treaty commission was the commitment to establish it in legislation. In May 1993 both the aboriginal summit and the province fulfilled their part of that commitment. Now the time has come for the federal government to honour its part of the bargain.

• (1050)

These are the events that have led us to this legislation and this debate. Across the years and across party lines people have joined in a common cause. It is their vision and determination that we celebrate and formalize today. Their cause was simple: the desire to bring justice to the aboriginal people and certainty to their province.

A Price Waterhouse study prepared in 1990 estimated that $1 billion in investment had not occurred because of unresolved claims. Since the time of that study the price has continued to be paid, year in and year out. Some 300 badly needed jobs have not been created and $125 million in capital investments have not been made. That has been the price of denying the problem or pretending that it would go away. That is the price of the status quo for the people of British Columbia. It is a price we can no longer afford. With the passage of this legislation, we will no longer have to pay it.

If the price of inaction has been high for the general population of British Columbia, for aboriginal people it has been far higher. For aboriginal people it has meant great hardships and poverty. It has meant the denial of historic rights and future hopes. It has meant generations of dreams deferred and promises unkept. It has meant a quality of life few in the House can imagine and none of us should have to tolerate.

Aboriginal socioeconomic conditions are appalling. Almost one third of aboriginal homes on reserves lack running water. Diseases such as hepatitis and tuberculosis, virtually eradicated in the non–native population, persist in aboriginal communities. Deaths from fires are three and a half times the non–aboriginal level because of unsafe housing and lack of proper sanitation. The suicide rate among aboriginal people is 50 per cent higher

than for non–aboriginal people. That difference is even more pronounced in the age group between 15 and 25.

The country simply cannot afford to lose another generation of aboriginal people who are able and willing to make a contribution to this country. The people of British Columbia have told their government to get on with it and negotiate fair and just agreements that protect the rights of both aboriginal and non–aboriginal people alike. They want to establish a stable economic climate, which in turn will help to bring investment dollars and opportunities to all British Columbians.

In 1993, speaking in favour of the legislation creating the B.C. Treaty Commission, Mr. Jack Weisgerber recounted his experience in 1989 as a member of the premier's advisory council on native affairs: "It became clear to us, as we travelled and met with groups around the province, that if we were going to address the root of the social and economic problems we had to deal with the land claims question". Those words were from a man who now leads the Reform Party in British Columbia, words echoed by members of all parties in the B.C. legislature when that body passed its own enabling legislation. I commend to my friends across the floor today those words, which we now have the opportunity to honour through our actions.

The history of this legislation is the story of partnership between cultures, between political parties, between generations. Let us continue in that same spirit of partnership now as we open the way for a brighter future for all British Columbians and a prouder day for Canadians.

I would also like to comment on some things the hon. member for Yorkton—Melville said. Again from the same paper: "We are giving tax exemptions to anybody who carries an Indian treaty card. They do not have to pass a DNA test". That is an insult to all aboriginal people across the country or anybody of colour.

● (1055)

Does that mean that if I say I am an Inuk this person expects me to pass a DNA test? Does that mean that my colleague from Vancouver Centre, if she says she is a certain colour, has to pass a DNA test in order to prove to the hon. member for Yorkton—Melville that she is the colour she is?

This is part of the Reform Party. By the way, DNA does not tell what colour the person is. The ignorance of some of the members of the third party is appalling, to say the least.

Again, this is what the hon. member for Yorkton—Melville said: "The general public does not know the sellout that is taking place". Who is selling out? The aboriginal people from British Columbia have been in British Columbia for in the neighbourhood of 36,000 years.

When British Columbia joined Confederation in 1871, the aboriginal people of British Columbia were in the majority in British Columbia. What did the government, when B.C. joined Confederation, do? It passed a law forbidding the aboriginal people of British Columbia to vote.

The Speaker: We will pick up the debate a little later. It being 11 a.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

NORTHWEST TERRITORIES ELECTION

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, on Monday the last general election of the undivided Northwest Territories was held. Twenty–four men and women, many of them newcomers, will form the 13th NWT legislative assembly.

I congratulate all those who were elected and extend to them best wishes for a productive, creative and successful term in office. I salute as well all the candidates who ran in this election for their courage and commitment to their people and their communities.

This new assembly faces challenges unlike any assembly before it. The task is great, but I have every confidence in the ability of these people of the north to pull together and work together. Through co–operation and mutual respect we will build a stronger north and a stronger Canada.

[*Editor's Note: Member spoke in Inuktitut.*]

* * *

[*Translation*]

PATRIATION OF THE CONSTITUTION

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, yesterday, Marc Lalonde, a former Liberal minister and an old fellow traveller of the Prime Minister's, stated that the federalists did not have to apologize for unilaterally patriating the constitution in 1982.

Is it Quebecers' fault that the federalists patriated the Canadian constitution without Quebec's agreement and despite the opposition of all parties in the National Assembly? Is it Quebecers' fault that all efforts to bring Quebec back into the Canadian family fold failed, that the rest of Canada rejected the Meech Lake accord, that they felt too much was given to Quebec in the Charlottetown accord?

Now that they have shown they could shove the country's fundamental law down our throats with impunity, the only alternative left for Quebecers is to leave with honour and dignity, their heads held high, and to take their destiny into their own hands.

* * *

[*English*]

CANADA POST

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, many Saanich—Gulf Islands constituents complain about Canada Post's service. Despite rate increases mail delivery is notoriously unreliable. Personal mail boxes have been replaced with centralized superboxes. Service, rather than improving, is deteriorating.

By legislating that anyone who delivers letter mail must charge three times what Canada Post charges, government has created a monopoly operation and, typical of such enterprises, an inefficient one. Furthermore, using its financial advantage on letter mail to cross subsidize, Canada Post can sell junk mail delivery at a loss, thus prohibiting effective competition from other agencies.

Because there is no alternative mail delivery system, Canada Post has no fear of dissatisfied customers. The advent of facsimiles and E–mail gives some Canadians an option but many Canadians have no access to these alternatives. What is missing and vitally needed is fair competition. Government should remove the Canada Post competitive price advantage and let the free market set prices and standards.

* * *

"MY CANADIAN BOUQUET"

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, I rise today to pay tribute to Saskatchewan artist Anne Prefontaine.

In 1985 Anne was commissioned by the French Cultural Association to make a painting for the town of Gravelbourg, Saskatchewan. This painting was ultimately presented to the Right Hon. Jeanne Sauvé, former Governor General of Canada, on September 17, 1986. Madam Sauvé was a francophone who spent part of her childhood in Prud'homme, Saskatchewan, a small village in my riding of Saskatoon—Humboldt.

Mrs. Prefontaine's painting is called "My Canadian Bouquet", en français "Mon pays en fleurs". The painting depicts a beautiful bouquet of flowers. On closer inspection we see it is made up of the floral emblems of each of the provinces and territories, including the prairie lily, the floral emblem of Saskatchewan. Each flower is beautiful on its own, but as part of this floral arrangement the beauty of each is further enhanced. Like Canada, the final result is truly more than a mere sum of its parts.

I thank Anne for stepping forward again with her message of love and hope for a united Canada.

* * *

QUEBEC REFERENDUM

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, I received a letter the other day from the Prince Edward county council. Part of it reads:

> Council was in unanimous agreement that I should forward a letter to you as our representative of the Government of Canada advising that Prince Edward county urges the residents of Quebec to remain a part of a strong and independent country.
>
> Although ours is but a small voice in what has become a national debate, the people of Prince Edward have always had a strong sentiment for home and country, a country which includes Quebec.

This letter was signed by Laverne Bailey, warden of the county of Prince Edward.

* * *

QUEBEC REFERENDUM

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, an open letter was sent by the Mississauga West Federal Liberal Riding Association to the residents of Quebec. It expresses their thoughts and feelings about Quebec within Canada:

> As members of two of the four original provinces, Quebec and Ontario share a 128–year history of being close neighbours within Canada. Over the years we have established many links through families, trade, commerce and tourism. The vibrant and ongoing ties continue to define the spirit of solidarity that only close friends can share.
>
> Through education, travel and a wide range of pursuits and experiences a new generation has acquired even greater cultural sensitivity. We believe that given the opportunity, young people will enhance and strengthen the ties that exist between us.
>
> As friends, neighbours, and Canadians we have helped to build a great nation. Together we can continue to enjoy the richness Canada has to offer.
>
> Le Canada n'est pas le Canada sans le Quebec!

* * *

AGRICULTURE

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, the Liberal government's WGTA buyout has turned into a total fiasco. It is clear that whoever designed this program had limited knowledge of prairie agriculture. It is confused, disorganized and poorly planned.

The system for distributing applications for this program relied on obsolete information. As a result many farmers were left out of the initial mailing.

My office has received hundreds of complaints from both grain and livestock producers who are fed up with this boondoggle. An example is a recent letter I received signed by over 100 beef and grain producers incensed that compensation will not go to forage acres but will include other livestock feed crops.

If this is a forerunner of the way the government will handle changes for western agriculture, then farmers will be faced with many more hit and run farm programs.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, the Quebec workers' solidarity fund has come out in support of the side for change. To all those waging a scaremongering campaign against the sovereignist option, Mr. Blanchet, the president of the fund, said, and I quote: "The solidarity fund feels that Quebec sovereignty is not only economically viable but that it will be profitable".

Since its inception in 1983, the solidarity fund has become the largest venture capital fund in Canada with over $1 billion in assets. This represents almost 30 per cent of the total value of all venture capital funds in Canada and it is at home, in Quebec, that this money is invested.

• (1105)

Since its inception, the fund has helped create and preserve over 30,000 jobs in Quebec. The solidarity fund is a shining example of what Quebecers can accomplish when they take control of their own destiny. In the same way, Quebecers understand that Quebec's future involves sovereignty and they will vote yes to change on October 30.

* * *

REFERENDUM CAMPAIGN

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, the leader of the Bloc Quebecois is resuming his duties as negotiator for the PQ government, the same job he had during the 1979 negotiations with the Quebec public sector. This time again, the chief negotiator for the PQ has his bosses' complete trust and has been given a free hand.

The PQ negotiator's mandate in these negotiations as in the negotiations with the Quebec public service is to do his utmost to meet his bosses' expectations. Sixteen years later, history is repeating itself. The negotiator rehired by the PQ can exert himself all he wants, it is not up to him to make the final decision that will seal the outcome of these negotiations. Jacques Parizeau will make this decision as he did before, a decision that all union workers in Quebec are still paying for.

* * *

[*English*]

TEMBEC FOREST PRODUCTS

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, in Mattawa, in my riding of Nipissing, Tembec Forest Products president Frank Dottori addressed a public meeting of the Mattawa & Area Forestry Committee. He announced the future plans for a $10 million expansion of Tembec's forestry products operation in the town of Mattawa.

Also at that meeting Mr. Dottori was recognized by the Canadian Institute of Forestry. He received an award recognizing his achievements in being one of the founders of Tembec which was created in 1973 by former employees of Canadian International Paper.

The resurgence of the Temiscaming, Quebec, mill and the growth of Tembec is one of Canada's best known business success stories. Under Mr. Dottori's leadership Tembec has risen to become one of the leading forest product manufacturers in Canada.

My congratulations are extended to Mr. Dottori and to the Canadian Institute of Forestry for presenting him with this achievement award.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, yesterday, in Montreal, the PQ leader told a group of young people something that sheds light on the kind of relationship Quebec separatists have maintained with Canada over the past 30 years. This is what the separatist said: "Stop bothering me with this idea of a distinct society. I am not interested. I want a country".

The sacrosanct concept of distinct society that one separatist dream weaver after another cloaked themselves in was really nothing more than a gimmick, a trap, a ruse to create constitutional deadlock. Quebecers are staggered to learn that, for the PQ leader, the distinct society concept was only a separatist gimmick. The people of Quebec are aware of their distinctiveness and, on October 30, they will say no to this man who has been fooling them for all these years.

[*English*]

AGRICULTURE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the minister of agriculture is having trouble with mastering at least one of the three *r*'s, namely writing.

This past August I had the opportunity to join several farmers touring an area around Lloydminster damaged by the drought. The farmers had asked me to forward their concerns to the minister regarding their grave situation. My letter dated August 18, 1995 read in part: "They have difficult and immediate decisions to make so it is imperative that your department promptly address the concerns raised by these farmers". It has been two months and the minister has failed even to acknowledge receiving my letter, let alone to respond to it and to the farmers affected.

I have also forwarded concerns to the minister about the Crow benefit from alfalfa producers in the dehydrated alfalfa industry. Guess what? There has been no response.

I have heard from a number of my constituents that the minister's office has not responded to their letters as well. Even farm organizations complain to me that they have not heard from the minister when they write.

Can the minister not write, or is the minister's office too busy trying to put out fires with the Crow buyout and the safety net programs that there is no time to respond to the farmers' concerns?

* * *

EMPLOYMENT EQUITY

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, many times in the House by legislative and constitutional means members have presented laws by example to get people to recognize that we should have sexual equality in the country. Yet, right outside these doors during the months of August and September, a female engineer was harassed off the job by her subcontractor. We did not see any reaction in the House, or very little. Two hundred and ninety-five of us let this happen.

• (1110)

We did see to their credit her fellow workers put everything on the line. They walked off the job in protest leaving $165,000 worth of back pay, $15,000 or $18,000 worth of equipment here on the site, which public works will not let them take off.

We should be involved directly. This is our jurisdiction. This is happening under our eyes with our feet—

The Speaker: The hon. member for Manicouagan.

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, not only is the no side unable to agree on the country that it would offer to Quebecers, but federal ministers, including the Prime Minister, make contradictory statements regarding the right of veto and the notion of distinct society.

The Minister of Foreign Affairs recognizes the right of veto, the Minister of Intergovernmental Affairs only sees it as a general principle, while the Prime Minister says that the decision does not rest with him, but with the other provinces.

The Minister of Intergovernmental Affairs even admits that he has trouble interpreting the text written by the no side in the brochure. This is quite something.

The fact is that Daniel Johnson and the Prime Minister only agree on one thing: make all those who seek changes in Quebec pay dearly. This is their common goal. As for the rest, they only propose to wait until 1997, when the constitutional tango will start all over again.

* * *

REFERENDUM CAMPAIGN

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the closer we get to October 30, the more difficult it becomes for the separatists to hide their true intentions.

First, the Bloc Quebecois leader was forced to define the meaning of a yes vote when he met with the editorial team of *La Presse*. He said: "To vote yes is to ensure that Quebec becomes inexorably sovereign, regardless of whether or not there is a partnership".

Yesterday, in Rivière-du-Loup, the Bloc leader was very clear when he said: "Let us not forget that the mandate sought by Mr. Parizeau's government and by sovereignists is a mandate to achieve Quebec's sovereignty, following which they will try to negotiate a partnership agreement".

The project of the PQ and its associates seeks only one purpose: to separate Quebec from Canada and make it a foreign country.

Quebecers have always been opposed to separation and, on October 30, they will once again say no to that project.

* * *

REFERENDUM CAMPAIGN

Mr. Mac Harb (Ottawa-Centre, Lib.): Mr. Speaker, the Bloc leader seems to be having increasing difficulty in keeping secrets.

In the last two days the leader of the separatists has imprudently let out several secrets which were supposed to have been kept well hidden until after the referendum.

The negotiator on the PQ payroll has no intention of trying to preserve citizenship and the Canadian passport after a yes victory. What he wants is clear: a Quebec passport.

The day after a yes vote, he will be able to guarantee only one thing: Quebec will be a separate country. He wants nothing to do with any proposition aimed at renewing federalism.

Ten days away from the referendum, Quebecers are suddenly discovering what is behind the separatist plan: they want nothing less than to provoke the disintegration of our country. On October 30, the answer they will receive will be no.

* * *

[*English*]

GOVERNMENT POLICIES

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the biggest disappointment Reformers have experienced in Parliament is the anti–democratic behaviour of the government.

The Prime Minister exercises dictatorial control over his MPs. MPs who have voted their constituents' wishes on Bill C–41, Bill C–68 and other legislation have been punished for voting for the people they represent.

The anti–democratic behaviour has been demonstrated in legislation. Bill C–64 replaces hiring based on merit with hiring based on quota. Bill C–68 throws out such basic rights as protection against unreasonable search and seizure. Now the Liberal government is sabotaging section 2 of the charter by acting as thought police.

Canadians are entitled to fundamental freedoms of thought, belief, opinion and expression. Yet these Liberals have set up a committee to monitor and set out punishments for expressing ideas in the House with which the Liberals do not agree.

• (1115)

The government is smothering debate and stifling meaningful dialogue. George Orwell would be proud.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, the true face of the separatists has emerged in a document released by the office of the hon. member for Chateauguay. The document is a parody of the Lord's Prayer.

It might well be considered sacrilegious in both the religious and the secular meaning of the word. The prayer in question, if we can glorify it by that name, petitions as follows:

Forgive us for having been Canadians
As we shall forgive those
Who so remain.

We will never ask anyone to forgive us for being Canadian. Quebecers will never prostrate themselves before the Leader of the Opposition, or the other separatists, either October 30 or at any other time.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in a very revealing speech which included references to duplication and overlap, the Minister of Foreign Affairs explained that Quebec was too small to negotiate on equal terms with the rest of Canada. This unfortunate statement is one more example of what we have been hearing from Laurent Beaudoin, Claude Garcia and the Prime Minister himself, each of whom either think Quebec is too small, want to crush it or want to give it a drubbing.

My question is directed to the Prime Minister. Could he tell us whether he agrees with the Minister of Foreign Affairs who considers that Quebec is too small to negotiate on equal terms with the rest of Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first of all, I would like to know what kind of negotiations they have in mind, because when the Leader of the Opposition is on the hustings, at one point like yesterday, for instance, in the morning he was all for sovereignty without association or without a partnership, while that afternoon and evening it was not the same message.

It is clear, and this bears repeating, that when in Quebec they say that, after Quebec separates, there will be a new structure in which Quebec will have exactly the same number of representatives as the rest of Canada, which represents three times as many people, the rest of Canada will never go along with that. This is like suggesting that in the parliament of an independent Quebec, just because Quebec City is the capital, it should have the same number of members as Montreal.

In a democracy every person counts. If there is to be a Canadian structure, it must respect the democratic principle according to which members are elected in their respective ridings, while the Canadian constitution provides for a minimum level of representation for the smaller provinces like Prince Edward Island, which is protected in the constitution.

However, when someone claims, in referring to the issue of a future partnership, that the rest of Canada will have a parliament with the same number of members as Quebec, and the Minister of Foreign Affairs, in referring to this, says that is out of the question, this is exactly what the provincial premiers have said. Anyone who is the least bit realistic, is not a magician and really wants to face the facts will have no problem understanding this.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would be glad to clarify my question for the Prime Minister. I do not think this is a matter of bad faith, not at all, but it is not at all what I meant.

His Minister of Foreign Affairs said that Quebec, with a population of seven million, was too small to expect to negotiate with the rest of Canada with its population of 22 million. This was not about partnership or whatever, this was about negotiating from country to country.

My question is this: Does the Prime Minister agree with his Minister of Foreign Affairs that Quebec is too small to negotiate with the rest of Canada and if he does not agree, is he prepared to set the record straight? That is my question.

• (1120)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all countries conduct negotiations. We negotiate with the Americans. We negotiate with Trinidad and Tobago. We negotiate with countries large and small. That is normal. The political clout, however, is not the same. That is where I notice another change in perception.

For the first time, the hon. member for Roberval said they are going to have a country. He was not talking about partnership. He referred to his country.

When will they have the courage to come out and tell Quebecers: "I am a separatist"? It is nothing to be ashamed of, so why not admit it instead of playing with words and saying at one point that "we will have a partnership", and then "we will not" and then "we will have half, or three quarters". Be honest.

Just say: "We want to separate", and Quebecers—30 per cent of the people who are now saying they intend to vote yes think they will stay in Canada— Does the hon. member want to remain a Canadian, yes or no? I would like to know.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister shows very little tolerance for others, although his own positions are entirely opposed to those of the no committee to which he belongs, an issue that was raised with him yesterday. Why is he so anxious to look for discrepancies in our points of view, when he knows perfectly well that representatives for the no side in Quebec most certainly do not share his position on the Canadian federation. He should be more careful.

Does the Prime Minister agree, since we are talking about his Minister of Foreign Affairs—I realize it annoys him to discuss this but, after all, he should answer the question—does the Prime Minister agree with his Minister of Foreign Affairs, who feels that to deal with duplication and overlap, Quebec should become a province like the others, in other words, close its Travail Québec centres and let the federal government collect its taxes?

That is what his minister said yesterday. Does he agree?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first of all, I would like to clarify one of the hon. member's statements. The program being circulated was prepared and accepted by all partners on the no side.

It says in this program that it would be desirable for Quebec to have a veto, and the answer I gave yesterday in the House was clear. We were in favour of a veto for Quebec, but René Lévesque and the separatists dropped the veto. You cannot blame me.

We voted for a distinct society and you voted against it. So today you rise in the House. I want to ask you a very short question: Do you want to remain a Canadian? It is not a difficult question, but you are afraid to tell the truth. He does not want to answer any questions because he is afraid of the truth. We are not. We are Canadians, we want to remain Canadians, and Quebecers want to remain Canadians.

The Speaker: My dear colleagues, I would ask you once more to address your comments to the Chair.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, let us recall once again that René Lévesque trusted the other premiers, and that they plotted with the present Prime Minister to betray him. This is what happened, and history is a witness.

Lisa Frulla, the deputy chair of the no committee said, this morning, that the principle of the distinct society had to be enshrined in the constitution. She is the deputy chair of the no committee.

Does the Prime Minister, who has been a member of the no committee up to now, as far as we know, agree with the proposal made by its deputy chair?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we voted for a distinct society, and he voted against. He has the gall to rise and talk about it.

Secondly, he does not show a lot of respect for Mr. Lévesque in saying that he did not know what he was doing when he signed it. I think Mr. Lévesque was intelligent enough to know very well what he was doing when he signed it. I have never underestimated Mr. Lévesque's intelligence as the hon. member is doing. He did it consciously. What were his reasons? I am not a member of the PQ, I do not know. We, however, were in favour of a veto, and it was Mr. Lévesque who did not want the veto.

Imagine rising and talking this way. As far as the distinct society is concerned, in Charlottetown, we voted for it.

• (1125)

We campaigned for a distinct society, like Ms. Frulla–Hébert. Yes. It was the PQ, Mr. Parizeau and Mr. Bouchard and all of you, who once again scuttled that, because you want separation and anything goes in the name of separation, except telling Quebecers the truth.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, the distinct society the Prime Minister is talking about is not the one in the original Meech Lake accord, it is the one in the Charest report "à la" Clyde Wells. Thank you Clyde, we remember the emotional outpourings on television. As for the original Meech Lake accord, the Prime Minister fought his whole leadership campaign against it, and he won. The Minister of Finance, on the other hand, campaigned for the Meech Lake accord and lost because of it. This is what history teaches us.

We must get back to Ms. Frulla, who made another statement this morning. She said that, in the case of culture, what was upsetting was the federal government's power to spend according to its own priorities. She went on to say that the federal government had to get out of the field and give the money to Quebecers to administer themselves. Her remarks were clear.

Does the Prime Minister agree with his deputy chairman, Ms. Frulla, and does he intend to withdraw completely from the field of culture, with full financial compensation, as his deputy chair wants him to?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what a distortion of history, again. We were talking about the Meech Lake accord; the PQ was opposed. You were against it. Why are you criticizing us for siding with you at the time?

An hon. member: You were against it.

Mr. Chrétien (Saint–Maurice): Yes, but so were you.

I said at the time that it was not satisfactory, and you did not find it satisfactory either. Then, after we made the necessary changes and it became Charlottetown, I was in favour, and you were still opposed. So you have always been in favour of Quebec developing within Canada? This is where your problem lies. We, on the other hand, want Quebec to develop inside Canada. And when you talk about culture, there was a proposal in Charlottetown, and you voted against it. So shame on you, you are always opposed. Quebecers will be in favour of staying in Canada on October 30, in two weeks' time.

[*English*]

FOREIGN AFFAIRS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, on Wednesday afternoon the Minister of Foreign Affairs stated in Washington that "Canada will contribute to any U.S. led NATO force in the former Yugoslavia".

Later the Minister of National Defence confirmed this commitment saying: "It will not be a peacekeeping role. It will be more of a protective force and therefore have a combat capability".

Yesterday, however, the Prime Minister and the government tried to backtrack saying Canada's participation is yet to be determined. But this does not alter the fact that American officials took these statements as a definite support for their plans.

What was promised to the American government? Will we be sending troops? More important, why was Parliament not consulted?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the ongoing initiative at this time to have a permanent peace situation in Bosnia should be welcomed by everybody. At long last the Americans seem to be willing. I am not sure if they will be able to send some troops but the president says that he will send 25,000 soldiers there.

I was talking a few days ago with the Prime Minister of Great Britain who told me that he would send some soldiers there. I talked with the President of France who said that he would send soldiers there. I said that we would consider being there.

I said in the House that before we made the final decision there would be a debate in the House of Commons. We have to talk with them first to know what they want, what kind of role, and nothing has been determined yet. We will come to the House of Commons. It is the first time in the history of Parliament that we have had a debate before a final decision of this kind.

We have the right to talk with the people who are asking us to be there. We cannot do it in a vacuum. Probably there will be another flip flop. For months they all supported the presence of troops in Bosnia. However, yesterday they said they did not vote for it. They supported it all along at a time when they were trying to score political points. They are now gauging the wind, and it would not surprise me if they flip flopped again.

• (1130)

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, we are talking about consultation before commitment.

The Liberals have long forgotten their red book promises. They promised to reject the camp follower approach to the U.S.

They promised a more open process for making foreign policy. They promised to expand the rights of Parliament to debate major Canadian foreign policy initiatives such as the deployment of peacekeeping forces.

The government is not only violating its own principles, it is acting like the Mulroney Tories during the gulf war. Why has the government broken its red book promises? Will it commit, here and now, to have a full parliamentary debate on Bosnia before we send more troops?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, for the first time we have had debate in the House about our presence in Bosnia before the decisions were made. Today I am standing here saying that the Americans, the British, the French and others have asked us if we would participate. We told them we would consider it.

Mr. Hermanson: And we said yes.

Some hon. members: We said yes.

Mr. Chrétien (Saint-Maurice): The decision has not yet been made because I have not taken the problem to the cabinet and to the House of Commons. The only thing we know for certain is that the Reform Party does not know anything about the facts and it is already against it.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, let us go from France and other countries to Hungary for a moment.

Last May at a meeting of the NATO Parliamentarians Association in Budapest I spoke with representatives of that fledgling democracy in Hungary. Hungary will not permit military movement without consulting Parliament. It will not even allow military planning for deployment without consulting Parliament. When it comes to troop deployment, Hungary is more democratic than Canada.

Will the government do more than pay lip service to this fundamental principle of democracy, which is consultation, which it preaches so eloquently but violates so consistently?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, for a person who has spent his career as a high ranking officer in national defence—who as a member of Parliament is double dipping by having his pension from the army—he should know there are always discussions at the military level on how to deploy troops. It has never been done by parliamentarians. It has always been done by the military under instructions by the government.

At this time peace is coming to Bosnia, which we hope will be a permanent peace situation. Canada is always there when there is a need for peace. If we are needed we will look on it favourably. However, I have not made up my mind. If Parliament were to tell us not to go there, we would not. However, it would surprise me if the people of Canada did not want to be in a place where we can save lives, have peace and make progress for the poor people who have suffered so badly over the last four years.

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[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Prime Minister.

We knew that there was some confusion between Daniel Johnson and the members of the federal government regarding the recognition of Quebec as a distinct society and the right of veto.

• (1135)

Yesterday, some confusion emerged within the federal Cabinet when, unlike the Minister of Intergovernmental Affairs, the Minister of Foreign Affairs expressed his support for a right of veto. As for the Prime Minister, sometimes he is in favour, sometimes he is opposed, depending on what day it is and to whom he is addressing.

Given the confusion prevailing in Cabinet with regard to the right of veto and the Prime Minister's occasional hints that he supports the notion of distinct society and giving Quebec a right of veto, why did the Prime Minister vigorously oppose the Meech Lake accord, which he played a large part in killing? On the night this agreement was rejected, he said to Premier Wells: "Thank you, Clyde, for a job well done".

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the number of unfounded statements in that question is unbelievable. First of all, yesterday, the Minister of Intergovernmental Affairs did not discuss the right of veto issue with anyone. So much for that. There was no mention of a right of veto in the Meech Lake proposal. It was not an issue because the amending formula had been accepted by René Lévesque several years earlier. Another faulty interpretation by the hon. member.

Third, he said that on the night I became leader—I explained this but they do not want to tell the truth. I simply said—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): No, you may be reluctant to admit it but, on the night of the convention, the vast majority of Newfoundland delegates supported my candidacy. So I thanked the people of Newfoundland for voting for me at the convention. However, that is not what they want to say. It was during the celebration following my election as leader of the Liberal Party, and I was saying thanks to Mr. Wells and all my other supporters. I also expressed my thanks to those who had run against me. I said that, for the sake of the party; to have a good convention, one needs opponents, and after it is all over, one should thank everyone and help the Liberal Party move forward. That is why I am Prime Minister today.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the Prime Minister can say all he wants about the right of veto issue, but if he wants to be serious, does he admit that he is unable to deliver the goods precisely because of the opposition of Clyde Wells and Roy Romanow, which is preventing him from getting the required unanimous approval of the other provinces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): The hon. member should blame René Lévesque, who, with the leaders of the other eight provinces, imposed this formula on the federal government. It is true that unanimity is required. We were against this. Still, it was the Quebec government led by René Lévesque which imposed this amending formula, and now he is saying that it will be difficult. I agree that it will be difficult, because of the mistakes you have made in the past. Quebecers, however, will not let you make other mistakes when the referendum is held on October 30.

* * *

[*English*]

DEPARTMENT OF NATIONAL DEFENCE

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, we have learned that Canadian taxpayers contributed over $300,000 for advertising in a special edition of *Homemakers* magazine.

Ruth Cardinal, public affairs director for the Department of National Defence, defended DND's participation because it will encourage recruiting in the Canadian forces, this even though the average age of readers of *Homemakers* is 42 and the forces are downsizing.

How can the minister possibly justify such Cadillac advertising when the defence department budget has been slashed and thousands of military and civilian jobs are disappearing?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the hon. member for his question.

If his question is do we have a recruiting policy in the Canadian forces, the answer is yes. If his question is do we have procedures in place for recruiting, the answer is yes. If his question is do we have a policy where we actually advertise in reputable magazines, the answer is yes. If his question is do we have a policy to recruit women for the Canadian forces, the answer is yes. The answers are yes, yes, yes and yes.

I want to reinforce to the House that the government, unlike the third party, has a policy of equal opportunity for men and women.

• (1140)

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): The average cost of an advertisement in *Homemakers* is $26,000, not $300,000.

The documents also show that Ms. Cardinal received the idea from Alex Morrison, president of the Pearson Peacekeeping College, who also sits on the board of directors for the Canadian Institute of Strategic Studies. I remind the minister that the institute receives almost $100,000 a year in grants from the Department of National Defence. As well, Sally Armstrong, editor of *Homemakers* magazine, and Duncan de Chastelain, son of the Chief of Defence Staff, also sit on the board.

Can the Minister of National Defence spell conflict of interest? Can he explain why his department is engaging in such obvious objectionable cronyism?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I thought I had answered the question. Perhaps I can answer it in another way, with a different emphasis.

Do we have a credible policy?

Some hon. members: No.

Mr. Mifflin: The answer is yes.

Do we have credible procedure?

Some hon. members: No.

Mr. Mifflin: The answer is yes.

Do we have a credible magazine?

Some hon. members: No.

Mr. Mifflin: This magazine enjoys the widest circulation among women in Canada. Three million women read that magazine.

Do we have a credible policy with respect to recruiting women?

Some hon. members: No.

Mr. Mifflin: Yes. Again: yes, credibility; yes, credibility; yes, credibility; yes, credibility.

The problem with the third party is it has trouble with the word credibility; it just does not comprehend it.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Prime Minister.

In a brochure sent to all Quebecers by the director general of elections in Quebec, the no committee states, and I quote: "—the government of Quebec must control its areas of responsibility". What this really means is that Ottawa must stop using its spending power to interfere in Quebec's areas of jurisdiction.

Could the Prime Minister tell us if his government agrees with this position? And if so, does it intend to withdraw from areas of jurisdiction in which it is interfering through its spending power, notably education, culture, health and manpower training?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this document has been issued collectively by all members of the coalition. That is clear as day. However, before attacking us on this kind of thing, because this is a written document, Bloc Quebecois members should start by— When you see their leader crisscross Quebec with his magic wand in hand and come out with a statement like: "I am for sovereignty pure and simple; we will not even need Canadian citizenship or Canadian passports".

That same afternoon, he said: "Well, no, we will negotiate a partnership", but later qualified his statement. He was not so categorical any more. He was apologetic. That is in essence how the week started off, with all this talk about being among ourselves, francophones, people of colour, with women bearing more children and so on. Later in the week, they changed their tune once again. That is what really happened.

They do not want to tell people the truth. We, on the other hand, put our position in writing.

A moment ago, I asked the hon. member for Roberval if he wanted to remain a Canadian. Let me put the same question to the hon. member: Does she want to remain a Canadian or would she rather abandon Canada completely? She should answer this question, so that her constituents know where to stand come October 30.

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, will the Prime Minister tell us clearly whether or not his government intends to withdraw from Quebec's areas of responsibility such as education, health, manpower training and regional development and to fully compensate Quebec through tax point transfers?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, education comes under the full responsibility of Quebec's Minister of Education.

I am happy that the matter was raised because he should do a good job. Quebec has the highest dropout rate in the country. This has nothing to do with the policy governing transfer payments. The policy is exactly the same for all provinces, including Quebec. Why are there more dropouts in Quebec? They should start by dealing with that problem.

Provinces have complete control over the hospital sector. We do not do a thing in that area, except send money. If they want us to stop collecting taxes and sending money, we can, but that is not what they want, of course.

They do not want to do the dirty job of collecting taxes. They want us to do it and to send them a blank cheque.

• (1145)

However, we have national responsibilities. The federal government is the one providing a national health care system to which all Canadians have equal access, instead of what some provinces would like to put in place at this time, that is to say, one system for the rich and one system for the poor. It is thanks to the Canadian government that we have a national health care system ensuring that all Quebecers as well as all other Canadians have equal access to health care. Under this system, when you are sick, you can be admitted to a hospital not because you have money but because you are a Canadian. It is a simple as that.

* * *

[*English*]

PORNOGRAPHY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the National Film Board funded movie "Léolo" features a scene in which a child engages in an act of bestiality. As reprehensible as that is, it is made even more so by the fact that Canadian taxpayers have helped to fund this movie and that it was shown on Canada's public broadcaster across the country, the CBC.

Could the Minister of Canadian Heritage explain why he thinks this reflects Canadian culture and Canadian values and why in the world Canadian taxpayers are paying for that kind of garbage?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I thank the hon. member for the question and for providing notice.

The issue of government funding for independent agencies is a thorny one. Certain artistic expression, while it may appeal to some, is clearly offensive to others. The film in question which aired on the CBC at 11.30 p.m. was produced under the former government. I understand it contained some controversial images.

However, I think even the member can appreciate that the CBC, with the airing of NFB and Telefilm movies, will allow the public to judge the works on their merit.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am not surprised the government is trying to justify this. I knew it would try to wrap this in the cloak of an artistic film. However, the great majority of Canadians would never let that kind of trash in their houses under any circumstances. It has been permitted in under the CBC.

At a time when the government regulator, the CRTC, is looking at the issue of violence in television, how can the minister explain his own broadcaster airing a film that has many scenes that most Canadians could only describe as disgusting and tasteless?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, surely on the basis of one scene in one film the member would not want us to unleash a new age of censorship or abandon the Canadian film industry. The CBC is protected under the Broadcasting Act which allows it to have journalistic freedom.

The hon. member might consider separating the two issues: on the one, censorship; on the other, our investment in the film sector and the cultural sector which is a thriving industry that results in about 600,000 jobs in this country.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

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

The no committee says that Quebec must have full control over those sectors which fall under its jurisdiction. The federal government goes against that position by continuing to interfere, with its spending power, in the manpower, education and health sectors.

Does the Prime Minister recognize that Ottawa is using its spending authority not only to interfere in fields of provincial jurisdiction, but also to impose national standards that do not reflect Quebec's priorities?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, first, the claims made by the member opposite are absolutely false. Second, the real issue is that, today, the member for Roberval talked about a country. Yesterday, the Leader of the Opposition talked about a Quebec citizenship and said that the Canadian passport would no longer be used by Quebecers. Today, he changed his tune. The burden of proof rests with those who want to split the country.

• (1150)

I ask them: Do they want to remain Canadians or not? If not, they should tell the truth to Quebecers before October 30.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, how can the Deputy Prime Minister expect to be taken seriously, considering that the establishment of the human resources investment fund, through which Ottawa will interfere even more in the manpower training sector, amounts to a blatant rejection of the position held by the no committee?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the government which is refusing to negotiate on manpower issues is the Quebec pequiste government, not the federal government. The real issue on October 30 is the one raised this morning by the member for Roberval, and also by the Leader of the Opposition, who said that Quebecers would no longer use the Canadian passport. This will be the real issue on October 30. We are prepared to negotiate with the provincial governments. We are not in favour of status quo. There is only one government in Canada using the status quo as an excuse: it is the separatist and pequiste government in Quebec.

* * *

FRANCOPHONES OUTSIDE QUEBEC

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the francophones of Ontario and other Canadian provinces feel insulted and revolted by the disdainful remarks made at their expense earlier this week by the separatist member for Rimouski—Témiscouata.

Would the Minister of Intergovernmental Affairs be so kind as to inform the House of the status of the francophone communities within Canada and to indicate the key measures taken by our government to support their development?

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, not only has the hon. member for Rimouski—Témiscouata shown her ignorance of, and probably also her disdain for, francophones outside Quebec, but this very morning the regional delegate of the Parti Quebecois in my area had the nerve to make the statement that francophones outside Quebec are a colonized people.

This is an area in which the federal government has always assumed its responsibilities far better than the Parti Quebecois. Allow me to offer this quote: "The government of Quebec has not done enough, even the PQ has not done enough. The federal government has certainly done far more than Quebec has. I am prepared to admit that. But I think that all of us, in Ottawa and in Quebec, ought to promote francophones outside Quebec". The author of that quote is Lucien Bouchard himself.

* * *

[*English*]

JUSTICE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, my question is for the Solicitor General of Canada. Oresto Panacui and Jean-Guy Dipietro were convicted and sentenced to jail for armed robbery, kidnapping and attempted murder. They were released and the minister is well aware that Panacui has already reoffended.

The parole board released Panacui even though they acknowledged: "You are serving a very long sentence for a very violent crime and drug addiction was a factor in your criminal lifestyle".

Why is the minister allowing the parole board to release violent criminals and jeopardize the safety of Canadians?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the law passed by Parliament creating the parole board set it up as an independent organization, an administrative tribunal operating at arm's length from the government. The law I referred to does not give the Solicitor General of Canada any authority to intervene in the decisions of the parole board.

However, I will be happy to make sure the hon. member's concerns are brought to the attention of the board.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, another case in point. Dwayne Archie Johnson, who in 1970 abducted, beat and eventually stabbed Helen Betty Osborne 56 times before he left her body in a ditch, was convicted of second degree murder and in 1986 sentenced to imprisonment for life with no chance of parole for 10 years.

In March of this year he was granted day parole after serving seven years of his sentence. According to section 135 of the corrections act, the minister can direct the commissioner of the parole board to review and revoke parole.

• (1155)

When will the minister intervene against violent killers or will he continue to jeopardize the safety of Canadians by not acting at all?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I would be very happy to carry out the duties given to me by Parliament.

It is my understanding that the parole board operates at arm's length from government and from parliamentarians. Having said that, I will be happy to review the act and see what should and could be done under the terms of the law passed by Parliament.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is for the Prime Minister.

On three fundamental elements, namely the right of veto, a distinct society and respect of Quebec's areas of jurisdiction, there is an increasingly marked contradiction between the positions of the no committee and of the federal government.

Quebecers have a right to know whether the federal government fully endorses the position given in the brochure of the director general of elections distributed throughout Quebec with respect to the right of veto, a distinct society and respect of Quebec's areas of jurisdiction.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, there is no contradiction whatsoever between the policy adopted by the committee for the no and that of the government of Canada. This is a written document in which there is a full partnership. Where the contradictions lie, however, is in the policy of the Leader of the Opposition, who claims one day that he will negotiate Canadian citizenship and the next day Quebec citizenship.

One of them says he wants to negotiate with Canada, the other says what he wants is a country. Where the glaring contradictions lie is with the policies of the separatists, who do not want to tell Quebecers the truth. I know that Quebecers are not fools and they will certainly understand that the question on October 30 is yes or no for the separation of Quebec, and the answer will be no.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is a simple one. We are 11 days from referendum day. Does the Prime Minister endorse all of the recommendations of the committee for the no in this brochure, or does he not?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister himself has stated that he had a hand in these documents and endorses them fully. The issue about contradictions lies not with the document of the no side, but with the separatists themselves, who are going all around Quebec claiming that they want to negotiate something with Canada while at the same time, as they finally admitted yesterday, really wanting a separate country. They want nothing to do with Canada, they want Quebec passports, Quebec citizenship, and that is the choice that will be made clearly on October 30 by Quebecers, when they say no to the separation of Quebec from Canada.

* * *

[*English*]

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

When the Atlantic groundfishery was announced last year, $300 million was allocated for capacity reduction. To date

one–third of this allocation has been spent. How many licences have been retired? Two hundred and fifty–two out of 14,000. That represents less than 2 per cent of the groundfish licences on the east coast, nowhere near the 50 per cent reduction that was targeted.

Given that the minister has already spent one third of his budget for a capacity reduction of only 2 per cent, can he explain how he intends to reach his 50 per cent target?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, as the hon. member knows, the TAG program has a $1.9 billion budget. Because more people applied and were approved, there is a shortfall in some parts of the program.

The total budget of $1.9 billion will be respected. We will ensure that we live within our means. Within those programs is a retirement program and a training program. We will work closely with my colleague, the Minister of Human Resources Development, to ensure that we, stay within that budgetary program.

• (1200)

Some adjustments will have to be made. Those retirement programs will be part of the overall program to deal with TAGS and to deal with the issues on the east coast.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the parliamentary secretary acknowledges that cuts have been made to training, to green projects and to capacity reduction. The list goes on and on.

When the program was introduced it was clearly stated by the government that the program would only meet its financial targets if training, green projects and capacity reduction were successful at getting people off the program. Now that the government has slashed these programs and capacity reduction targets cannot be met, will the minister tell Atlantic fishermen what they are proposing to do when the $1.9 billion run out?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, these are the members of the Reform Party who after spending a weekend on the east coast were telling everybody the problems of the east coast. They do not have a clue about the problems of the east coast.

These are the same members who did not support TAGS. They wanted to cancel the whole TAGS program. I am very glad to see they have developed some understanding of the east coast problems by spending one weekend there.

I can assure the members that the training programs will continue. We will work closely with the Minister of Human Resources Development. There have to be some adjustments in the program. The green projects are continuing.

I hope the member will make another trip to the east coast so that he can see the training programs, so that he can see the green programs that continue to help with the disaster on the east coast.

* * *

BREAST CANCER

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, this is breast cancer awareness month. Although progress has been made, much more needs to be done to eliminate breast cancer. Can the Minister of Health tell the House if the government has met its goals and what is further being done to eliminate breast cancer in Canada?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have done considerable work to ensure that more and more dollars are channelled toward research in breast cancer.

Within our department we have reallocated an additional $2 million a year. Better still, along with those additional dollars we are working very closely in partnership with other groups so that huge sums of money are now being expended on breast cancer research.

We are not only doing more in research for breast cancer; we are also funding such things as the breast cancer information exchange projects. We are participating in setting standards of care and professional education so that the women of Canada have uniform, first class care when they are diagnosed with breast cancer. We are participating in the Canadian breast cancer screening initiative, one method of early intervention so that more people can be cured when breast cancer is detected at an earlier stage.

We will continue to do everything we can with the resources of Health Canada. We will also work in partnership with many other groups which have a very big interest in seeing this disease minimized, if not completely abolished.

* * *

POINTS OF ORDER

QUESTION PERIOD

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, during question period I was asked a question by the critic for the solicitor general from the Reform Party, the member for Calgary Northeast. He alleged that in section 135 of the Corrections and Conditional Release Act the solicitor general is empowered to direct the parole board to cancel or suspend parole.

I have before me section 135 of the act. I see no reference whatsoever to any power of that sort given to the solicitor general. It says rather that this power can be exercised by a member of the parole board or a person designated by the

chairperson of the board. The chairperson of the board is not the minister. I therefore ask that the member for Calgary Northeast have an opportunity to correct the record.

The Speaker: Would the member for Calgary Northeast like to add something to this point of order?

• (1205)

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I directed my question to the solicitor general indicating that under section 135 it was within his power to address the commissioner of the board to review and revoke the decision made at the parole hearing. I understand that is what section 135(1) indicates.

Mr. Gray: Mr. Speaker, with the utmost respect to the hon. member, he should read the section of the act before asking his question. It makes no reference to any power of the minister to give any direction to the chair of the board or any member of the board.

The Speaker: I thank both hon. members for their interventions. The point has been made.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, earlier today, in answer to a question from the official opposition, the Deputy Prime Minister said that Quebecers were not fools and that they would vote no on October 30.

That statement implies that 50 per cent of Quebecers, including all the Bloc members who intend to vote yes are fools. I ask—

The Speaker: This is a point of debate, certainly not a point of order. I thank the hon. member.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, since the member claims in his point of order that I made a derogatory comment regarding Quebecers, I want to point out that my remarks concerned the blatant contradictions contained in the separatists' policy.

In that context, I believe those comments are not only acceptable, but also understandable.

The Speaker: Dear colleagues, this is not a point of order. Both sides have had an opportunity to say a few words. This is not a debate. I thank you.

The hon. member for Laurier—Sainte-Marie has the floor on another point of order.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I want to ask you to clarify a point. What you just said is that both sides of the House can use the word "fool" in reference to people who do not agree with us. Is that so?

The Speaker: As I said before, there is no word which is unparliamentary in itself, and that applies to this word. The important thing is how a word is used. Today, the word "fool" was used. It has been before. I would appreciate it if we never used it again. Sometimes, words are used during a debate and then we try to justify them.

I gave an opportunity to both sides to express their views. I want to leave it at that. Again, this is not a point of order.

[*English*]

Mr. Hanger: Mr. Speaker, relating to the solicitor general's earlier point of order regarding his intervention or involvement with parole board decisions, there is nothing in the act which prevents the solicitor general from approaching the parole board or the commissioner. It is on this basis under section 135 that I am appealing to him to intervene in those parole board decisions.

The Speaker: I thank all hon. members and I hope that clears the air a little.

ROUTINE PROCEEDINGS

• (1210)

[*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 55 petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 93rd report of the Standing Committee on Procedure and House Affairs, which lists the members of the Standing Committee on Public Accounts and the associate members of the standing committees.

With leave of the House, I intend to move concurrence in this report.

[*English*]

Therefore I move that the 93rd report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

Routine Proceedings

PETITIONS

LICENSING

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I have three sets of petitions to present.

The first petition has 56 signatures. The petitioners request that Parliament legislate a maximum level of profit taking from the private brokerage of all licences and permits.

COLLVER ECONOMIC SYSTEM

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, the second petition has 47 names. These petitioners request that Parliament commission the publication and study of a privately developed economic system by Mr. Roger Collver.

ABORIGINAL AFFAIRS

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, the third petition has 43 signatures. The petitioners request that Parliament honour the treaties made between the settlers of this country and its original inhabitants.

HUMAN RIGHTS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I have several petitions pursuant to Standing Order 36.

The petitioners in the first petition 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 of sexual orientation. The petition bears 169 signatures.

RIGHTS OF THE UNBORN

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, in the second 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. This petition bears 175 signatures.

PEDOPHILES

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, in the third petition the petitioners call upon Parliament to eliminate the right of a convicted pedophile to be let out of jail on bail pending an appeal. This would thereby ensure the protection and safety of victims and the community from such a convicted offender. This petition bears 250 signatures.

ASSISTED SUICIDE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, in this petition 262 petitioners pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide or euthanasia.

RIGHTS OF GRANDPARENTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting yet again more petitions on behalf of grandparents throughout British Columbia. They ask this government to keep its commitment already declared to this House on May 4, 1995 and amend the Divorce Act to give grandparents access to their grandchildren.

NATIONAL DEFENCE

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition from residents of my riding of Nipissing.

My constituents' concerns deal with the interdepartmental committee on household goods removal services which is chaired by the Department of National Defence. The allocation of all moves to one bidder will cause more problems and cost more money than does the present system of allocation. They feel the proposal would force many small family owned businesses to cease operation, causing job losses in regions already hard pressed to maintain employment opportunities.

The petitioners humbly pray and call upon Parliament to direct the interdepartmental committee to drop this proposal and to work directly with the Canadian moving industry to develop other alternatives to reducing federal expenditures.

• (1215)

EMPLOYMENT

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the privilege of presenting a petition from several people in my riding requesting the Minister of Human Resources Development to continue funding for agricultural employment services.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRITISH COLUMBIA TREATY COMMISSION ACT

The House resumed consideration of the motion that Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission, be read the second time and referred to a committee.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, before question period I was pointing out some of the contradictions of the party opposite in terms of its aboriginal affairs policy. I was referring to the hon. member for Yorkton—Melville, who has made some contradictory and naive observations regarding the hardships aboriginal people in British Columbia and all across Canada have faced over the last 300 or 400 years. I mentioned the attitude of wanting something like a DNA test for Indian people, which is very insulting to aboriginal people across the country.

The hon. member for Yorkton—Melville stated: "We cannot continue to assemble a system that creates entitlements because of the colour of your skin. We are building a South Africa. That may sound extreme, but that is exactly what we are doing. We are going to have the same strife that South Africa is going to have".

If the hon. member were up to date on the issue he would know that South Africa is enjoying good times as a result of doing away with the apartheid policies of the previous government. Now Nelson Mandela is president and he is doing great things for the people of South Africa. That is probably the way we should go with respect to aboriginal people in Canada.

The South African people who have resided in and maintained their lands in that area are finally getting an opportunity to address their concerns, which we are also doing in the area of Nunavut. I am happy to state that the Minister of Indian Affairs and Northern Development a couple of weeks ago announced to the general public of Nunavut that it would have a role in deciding where the capital of Nunavut would be. There will be a plebiscite in the communities to determine that. Such a decision making role is precisely what the aboriginal people of British Columbia have always wanted.

British Columbia entered Confederation in 1871. At the time British Columbia entered Confederation, the aboriginal people of British Columbia were the majority. To overcome that fact, the government of the day quickly passed a law that basically stated that the aboriginal people would not have a vote.

• (1220)

In 1884 people all of a sudden found that because the aboriginal people were the majority they would able to do a lot of commercial fishing. The government of the day passed another law, which banned the aboriginal people of British Columbia from commercial fishing. They have debated that ever since.

I do not particularly like to revisit the history. We have to improve the state the aboriginal people are in and move forward. However, a lot of Canadian people do not know the history. Sometimes it has to be revisited or the people of British Columbia will not have the opportunity to correct a lot of the wrongs that were committed against aboriginal people at that time.

I have a letter written on October 13, 1995, from someone who says: "We the people of British Columbia will not give up our property, our home and our land, to which we have registered rights". This person reiterates what Squamish Chief Joe Mathias claims, that the aboriginal people own British Columbia 100 per cent. This person says: "Members of my family are Friesians. We were in Holland well before the Dutch. Are we now going to go back and say to the Dutch government that we own Friesland 100 per cent and we want compensation?" I do not think we would give that advice to this person, to go back to Holland to claim it back from the Dutch government. However, this person should understand that when he came from Holland the aboriginal people were already in British Columbia. They are still there.

I do not think aboriginal people are suddenly going to say you cannot stay on this land because it belongs to the aboriginal people. However, I think they have a very strong case. As aboriginal people, we believe we were here long before anybody else came along. People who took our lands do have some redressing to do. We have to face the fact that a lot of aboriginal people in British Columbia will say it is our land. If people can accept the premise that they were here first, then maybe the negotiations would go a lot more smoothly and hopefully will result in making sure that justice is served to the aboriginal people of British Columbia.

I would be prepared to answer any questions that may arise.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I have two questions for the hon. member.

• (1225)

In his role as parliamentary secretary, is he quite satisfied with the length of time it has actually taken this government to bring this legislation to the House? As was said earlier, the legislation was already established through the agreement. It was just a matter of recopying it into a format for this House. I would like to know whether he is satisfied with a delay of two years for something as straightforward as this.

The second question I have was referred to by the previous government speaker from Vancouver Centre, in which she implied that this commission has the authority to actually state whether or not the parties involved are ready to negotiate. That is not necessarily my interpretation of what the act actually states. It states that the commission can assess the readiness of the parties. I think that is possibly a little loose from the point of view of what the criteria are to base that assessment on. It could turn to a dictatorial type of thing from the commission's point of view that one must meet these specified criteria.

Mr. Anawak: Mr. Speaker, in responding to the question I may not necessarily satisfy the member. I look at it from the point of view that it has taken two years for this government, but it has taken since 1871, which is 124 years, to arrive at this stage. I think what we should be rejoicing in is the fact that we have finally come to this stage today, so let us move forward from here. While I would be very hopeful that the negotiations will be expeditious, it has taken 124 years. I would hope that when the negotiated settlement arrives it will be the best for all concerned, but especially for the people who have been trying to get to this stage for the last 124 years.

On the other question, we have to do our bit as members of Parliament to ensure that the best possible procedure is taken to ensure a more expeditious conclusion of land claim negotiations in British Columbia.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I was a little bemused at the parliamentary secretary's remarks with respect to the hon. member for Yorkton—Melville's question on treaty cards and DNA. I would expect a parliamentary secretary could recognize a bit of sarcasm when he sees it.

He must be aware that there is a stampede of people who have just a few drops of aboriginal blood trying to get their hands on treaty cards. If he thinks this is not a problem, he should consult with the band councils that have to deal with this and the problems created by Bill C–31. The secretary has to be aware that treaty cards have become articles of commerce. If he is not aware of this, he should not be secretary of state. If he is, he should not pretend to misunderstand the member for Yorkton—Melville.

With regard to the question of apartheid and who has it and who does not, it strikes me as curious that while South Africa is doing away with apartheid, the parliamentary secretary advocates and applauds the establishment of homelands within the Dominion of Canada. I think we should be moving beyond all that and be talking about one Canada, not a whole bunch of little enclaves divided on the basis of race and history. I know all that was irrelevant to Bill C–107, but it was a response to the irrelevant remarks of the parliamentary secretary.

• (1230)

Mr. Anawak: Mr. Speaker, it is always a pleasure to get a question from the hon. member.

I am a member of Parliament and the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, but I am also an Inuk.

Whether the government of the day or governments past or the member believes it or not, as far as I am concerned all of Canada belonged to the aboriginal people long before, in some cases 30,000 years, anybody else came along. That is my belief. However I have to be realistic. Some 30 million people now live in Canada, the majority of whom are other than aboriginal. We have to deal with that reality.

However, the wrongs that have been done to the aboriginal people are very wrong. This is how I feel. I am not naive about aboriginal concerns. If the hon. member wants me to elaborate on aboriginal issues and aboriginal concerns I can do that quite well without any lessons from the member across.

I live in the small community in the north in which I grew up. In 1962 the Inuit got the vote. I know about aboriginal concerns. I know some people came north and started putting up "no trespassing" signs on gravel deposits. No trespassing signs on my land? I have no lessons to learn from the hon. member across. Aboriginal people have been on the receiving end of a lot of wrongs for a long time. This attempts to correct the injustices that have been done.

When the hon. member for Yorkton—Melville makes a statement like that I am unlike the member across. I do not think the person is joking. I realize there may be some problems with the status cards. That probably is the case. Is it the Indians, the aboriginal people doing that? I do not know. I must say I am naive in that regard. I can honestly tell the member that I do not know. I apologize for not knowing because it is part of my responsibility.

One my responsibilities is to ensure that there is expeditious approval of bills that deal with the concerns of aboriginal people. I hope the hon. member, when we are dealing with this bill, will give his support to it so that we can correct the injustices that have been dealt to the aboriginal people in British Columbia.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, before I get into the text of my remarks I will make a few comments on the parliamentary secretary's remarks.

The parliamentary secretary was discussing the issue of land ownership. He said that in his opinion the land that we know as Canada is owned by aboriginal people. I remind the parliamentary secretary this issue has been dealt with in the courts. It has been dealt with in the Delgamuukw decision which was originally heard in the B.C. supreme court and was appealed to the B.C. court of appeal and is going before the Supreme Court of Canada

at some point in the very near future. The decisions of the courts to date have been that land ownership and ownership of resources resides with the crown.

• (1235)

I will talk for a minute about who benefits from that ownership. Thirty million people live in Canada and to a great extent the wealth of the nation and the standard of living that those people enjoy depend on the land base and resources.

We are talking about the B.C. Treaty Commission. In British Columbia approximately 96 per cent of the land is owned by the crown. The balance is owned by individuals on a fee simple basis. What the Government of British Columbia is talking about doing under the auspices of the B.C. Treaty Commission is negotiating agreements which will convey, in its own words, approximately 5 per cent of the land base to approximately 3 per cent of the population. A good deal of that population does not live on reserves.

In addressing the concerns of people in British Columbia who depend on forestry, fishing and mining for their livelihood and all of the secondary and tertiary jobs that spin from that, it is clear the issue of land ownership and resource ownership is a very serious one.

I will talk a little about British Columbia's participation in this process and the concerns expressed by ordinary citizens in that province. As I have said, the land base is very important to the economy of the province.

The Government of British Columbia and the Government of Canada are entering into a negotiating process to settle, depending on who one is, treaties or land claims with aboriginal peoples. There has been virtually no public consultation. The beginning of that consultation process is starting to happen, but in my view it is happening in a way that will make it very difficult for the real views of ordinary British Columbians to be heard.

On a straightforward philosophical basis, most British Columbians are opposed to the general principle behind the treaty process. With the negotiation of the agreements described by government to date we will have, as my Reform colleague said a few minutes ago, enclaves within Canada which will have a land base and which will have their own governing bodies.

There is a great deal of concern over the divisiveness this will create. The parliamentary secretary referred to South Africa as have other people in the Chamber. In South Africa the people are working to break down barriers between different parts of society, between black and white. They have been working at removing the different status that people received in that country based on their racial origins.

In Canada we are going in the opposite direction. We are erecting further barriers. I suggest there are barriers right now. I think they are inherently wrong. That is one of the reasons native people find themselves in the very difficult circumstances they find themselves in. As a country we have treated them differently.

Most of us on this side of the House believe very strongly that Canada is a very big welfare state. The welfare state that government policy has created around native people is many times larger and it has been very harmful to native Indian people. It has been very destructive. We need to do away with that, to break down those barriers, to do away with the Indian Act and start to treat everybody in our country as equals.

• (1240)

That leads me to the next point. In a democracy one of the fundamental principles of democracy is equality before the law, individual freedom, individual liberty and the notion that we all participate in a democracy on the same basis.

Sovereignty inherently rests with the Government of Canada. The provinces are way stations but in the end, citizens have to a certain degree an ability to exercise personal sovereignty in that they are able to vote, to participate in the democratic process and to influence to some degree at least the direction the government takes.

When we start looking at people, whether native Indian or other racial minorities or groups that have distinctive characteristics and start treating those people differently and we suggest they should have different status, whether that status is supposed to assist those people or not however well meaning that might be, the end result is that we create divisions in our society.

We create an us versus them mentality and we violate the fundamental principles of democracy. We violate the fundamental principle of equality before the law. We do that as a nation at our peril.

We can see what has happened in British Columbia with the implementation of the aboriginal fishing strategy. No doubt it was a well intentioned strategy. The result is that we have native fishermen and non–native fishermen on the rivers in conflict with each other. We have the very real possibility of violent conflict right on our doorstep as a result of that policy. I would suggest to the House that the aboriginal fishing strategy is one component of what the government's agenda is all about.

We are not talking in negotiating these treaties about moving away from the apartheid that we already have and treating people as equals; we are talking about building further walls. We are talking about finding new and better ways to segregate people by race and treat them differently. By doing that, as I said earlier, we are endangering future civility and peace in our country.

We need to not stand with our backs to the future gazing serenely over the past, over the wreckage of failed policies and massive outlays in expenditures by governments which have not worked and which have created a system of dependency and paternalism. We need to strive toward policies that include all people.

The Government of Canada has a serious obligation to deal with this problem and to deal with it in a manner that will, at the end of the day, bring all Canadians together as equals.

At the time British Columbia joined Confederation in 1871 the terms of union clearly spelled out that the federal government shall take all responsibility for existing and future obligations to native people.

There was one proviso in that agreement. The provincial government had an obligation to designate areas for reserve lands. The provincial government from 1871 through into the 1920s continued to set aside and designate lands as reserve lands, to the point where in 1924 the federal government acknowledged in writing that B.C. had met its obligations under the terms of union and therefore was discharged from any further obligations in that regard.

• (1245)

This is a very important and fundamental point because Canadians residing in British Columbia have been contributing through the tax system to the settlements of land treaties in other parts of Canada. They have been required to assist in the underwriting of the costs of the Nunavut settlement, of the Yukon land claims agreement, of the Saulteaux–Dene–Métis agreement and so on.

Now British Columbians will be asked to pay twice: once as taxpayers through the federal system and once as taxpayers and citizens of British Columbia through the alienation of land and resources. That is fundamentally wrong. That is asking the people of British Columbia to accept a situation of double jeopardy.

I believe very strongly the province of British Columbia should not be at the negotiating table other than as an observer. If the federal government intends to convey land and resources, it ought go to the province to find out for what the province is willing to sell those assets, the land and resources, in pursuit of the land treaty negotiations.

When we talk about these land claim issues and when we talk about treaty settlements and so on, as I said in my remarks a few minutes ago, the government tends to treat native Indian people as if they are all the same, whether it is the Gitksan and Wet'suwet'en people in my riding, the Niska people or the Casca–Dene people. They are not. They are individuals like all Canadians. They have many different aspirations, goals and desires. They do not all think the same way. They do not all want the same things; they want many different things.

In many cases the leadership in these native communities is acting in a fashion that is not supported by the majority of people they supposedly represent. I am deeply concerned when native Indian people come into my constituency office and say that they are very concerned about the ramifications for self–government because they do not know what it means. Quite frankly I do not think any of us know what it means. The Government of Canada and provincial governments have been talking for the last couple of years about recognizing an inherent right of self–government but they have never defined it. They have never said what that means.

The implications for that kind of statement are very serious indeed. It is instructive to note the native Indian people of British Columbia voted against the Charlottetown accord at almost the same rate as non–native people did although the provision for native self–government was one of the five key components of the agreement.

The ordinary grassroots people in native Indian communities certainly are not overly enamoured with the idea of native self–government. Their leaders are because their leaders understand the position of power and the position of authority they will end up in as a result. However the ordinary grassroots people in native communities are not in favour of it and certainly have grave reservations.

I remember very clearly that the Native Women's Association of Canada actively campaigned against the Charlottetown accord for the very reason the inherent right to self–government was one of the five key components of the agreement.

It is fine for the parliamentary secretary to stand and say that this is what all native people want, but it clearly is not what all native people want. They voted against it. I suspect that if I were to go into his riding I would find many native Indian people, aboriginal people, who would be very much opposed to the concept of self–government even though the member supports it.

• (1250)

Having given this matter a great deal of thought and having expressed my concerns, particularly in British Columbia, for two years now, I am convinced there has to be a better way. There has to be a way that the Government of Canada in concert with the provinces can negotiate agreements which will be inclusive rather than exclusive, which will bring Canadians together rather than separate them forever on the basis of race.

We have to recognize we are settling agreements that will be set in constitutional concrete. We have to think in terms of 50, 100 and 150 years down the road. We cannot settle the agreements on the basis of a five, ten or fifteen year window.

It is for these reasons that I have grave concerns with respect to the work of the B.C. Treaty Commission. I am convinced that the province of British Columbia should not be at the table other than as an observer. If we continue down the road we are going, I am certain it will only create further problems in our society. The net result will be that those people who we would most like to help will be the people who will be most hurt.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the comments about my riding demonstrated the need for some lessons on the history of aboriginal people in Canada.

My riding, Nunatsiaq, spans over three time zones from Tuktoyaktuk in the west to Pangnirtung in the east, from Arviat in the south to the home of Santa Claus in the north. However the fact remains that the native Indian population of Nunatsiaq is probably less than .05 per cent. The area I represent is Inuit. It is 85 per cent Inuit.

The ignorance of people like the hon. member opposite is why aboriginal people in Canada must be recognized. At the beginning of his comments the hon. member quite clearly said that this could not be native land because the courts said so. He may very well believe what the courts have said, but whose courts? Whose justice system determined that this was crown land? We did not set up the present justice system. By the way, we were not asked whether it was the kind of justice system we wanted or whether it was the kind of government we wanted. We were not asked any of those questions by the Government of Canada when the provincial and territorial governments were set up.

There has to be an understanding. We have a bit of a problem with all the things that have happened. I do not want to revisit all of it. However I want to point out to the member and to all other Canadians that a great injustice has been done in the past and we are trying to correct the situation. If we take a little more time as the government than members opposite would like to see, I say we can afford to do it because it has taken 124 years to arrive at this stage.

We have to ensure that expeditious approval of negotiated claims is achieved. I am sure members opposite will ensure that we have their support when the bill comes to committee. I hope the member ensures that he understands the issues, whether it is the justice system or righting the wrongs that have been done over the years, before thinking that every aboriginal person who comes to him is representative of aboriginal peoples at large.

• (1255)

I take back my comment about all aboriginal people, but the majority of aboriginal people know that wrongs have been done to them and are trying to right those situations. I apologize for making the hon. member think that I was representing all aboriginal people. I am a Canadian, I am an Inuk, and I do not represent all aboriginal people. However I have a problem telling the House that in a lot of cases I do not always agree with the president of Inuit Tapirisat of Canada, but I have no problem saying that she is my leader for the benefit of the Inuit people at large. We as aboriginal people have leaders who may not necessarily be representative of all aboriginal peoples, but by and large they represent the majority.

Mr. Scott (Skeena): Mr. Speaker, I listened to the parliamentary secretary's remarks. I was offended that he would refer to me as ignorant. He may disagree with me on a philosophical basis and that is fine; that is what Parliament is all about. However I can assure the House that I am not ignorant. I am not ignorant on this issue. I have spent a great deal of time on it.

I should like to respond to some of the remarks the member made in talking about representatives of native people. I have never had the opportunity to spend much time in the member's riding, but I have spent a great deal of time in British Columbia and I have met with many aboriginal people. I can assure the member that great numbers of aboriginal people have real concerns about their own leadership.

In my riding massive amounts of federal tax dollars are turned over to aboriginal leaders with no accountability whatsoever. Members of that community cannot even go to into the band office to get a breakdown of how the money is being spent. We see aboriginal leaders driving around in fancy new pickup trucks and fancy new cars while the people in their communities are getting by on virtually nothing. That is the kind of situation we are faced with in British Columbia.

I find it very difficult to listen to the member talk about representatives of aboriginal people. There are any deeply concerned people in my constituency who write to the ministers involved: the Minister of Health, the Minister of Fisheries and Oceans, and the Minister of Indian Affairs and Northern Development.

In the case of the Minister of Fisheries and Oceans they write to tell him they have a problem supporting the AFS. There is no accountability for how that money is being distributed. They just see a bunch of rangers going around their communities with fancy new pickups and new jet boats. There is no accounting of how the money is being spent.

The Minister of Health is signing health agreements with aboriginal hereditary groups, not elected representatives, in my riding. The people who live in those communities come to me with serious concerns about the future of health care for them under that kind of system. The native leadership in those instances is always talking about how it is working for the good of its people and how it is trying to further the interests of its people.

In many instances they are not concerned about their people. They are concerned about their personal well–being. They are making sure they are well off while the rest of the people in those communities are left to suffer and are hung out to dry.

• (1300)

That is why the aboriginal people in British Columbia voted against the Charlottetown accord. That is why they do not want self–government. In spite of all the grandiose statements by people like Ovide Mercredi, the federal minister of Indian affairs and the minister of aboriginal affairs in British Columbia, these people do not want it and it should not be shoved down their throats. Their individual rights and equality should be respected by the Government of Canada, not abrogated and trampled on.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the last speaker was concerned about the word ignorance. I would not use that word but would use the term misunderstanding and misinformation.

I have heard members of the third party mention a few things which I perceive to be a complete misunderstanding of what this commission is being set up to do. A question was asked about whether the commission had any role to play in making sure that the parties were ready to negotiate. There was no understanding that was a role.

I will read very quickly the role of the commission: "The duties of the commission are assessing the readiness of the parties, Canada, B.C. and First Nations, to negotiate". A clearly stated duty is to encourage timely negotiations. Therefore, with respect to the concern over stalling, that is something the commission is set up to ensure does not happen.

Another comment from members of the third party was that everything was being done in secret, nothing was being done in the open. The role of the commission is to prepare and maintain a public record of the status of negotiations.

I have another comment with regard to constant references to being Canadian together rather than apart because of race. This is a clear denial of the cultural heritage of people who do not belong to a majority group.

One of the things I clearly saw as a physician when we discussed aboriginal health issues was that the aboriginal people had a great deal of health problems. This was because their culture had been denied for so long. The lack of spirituality which is an inherent part of their culture has led to loss of self–esteem and to hopelessness. This has led to the large number of suicides and abuse we now see in the aboriginal community which have clearly been traced back to loss of cultural identity. These things are important to a people. It does not mean that people are different because they are given their cultural heritage. Cultural heritage is inherently what people are; it is what makes them the way they are.

I am really concerned about those statements. They show a lack of understanding of basic human dignity and human rights.

Mr. Scott (Skeena): Mr. Speaker, the member is quite right in saying the role of the B.C. Treaty Commission is to assess whether the parties are prepared for negotiating.

In the case of one aboriginal group within my riding, the government is entering into agreements for negotiating with hereditary governments, not with elected representatives. People from that community continually come to my office and ask: "Who do these people represent and why is the government dealing with them? Why is the government signing agreements with them? Why is the government going to negotiate with them?" Their rights have been completely ignored in this whole process.

Yes, there are very serious problems in Canada's aboriginal communities. It is not because of a loss of culture nearly so much as it is a complete reflection of the state of the welfare industry which has been built up around native Indian people. This symptom will be found in any community, be it aboriginal or non–native, wherever we go. If people are treated as wards of the state and are forever on a short leash from the Government of Canada, those are exactly the kinds of problems we can expect to find in communities like that.

Perhaps the hon. member could take time out of her busy schedule to come to my riding. I would be more than happy to take her to some of the aboriginal communities and introduce her to some of the people who have serious concerns about the direction in which both the federal and provincial governments are going. They have very serious concerns because they know it is not good for them. They know the government finds it very easy to deal with collectives but has a very difficult time dealing with individual rights and individual responsibilities.

• (1305)

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, it is my great pleasure to speak on Bill C–107.

In the House we are usually pressured to deal with immediate problems. We get representations from constituents about existing problems and they want immediate solutions. This is one of the rare opportunities we have in this House to pass this bill and build for the long term health of Canadians, particularly young aboriginal Canadians.

It is also fitting to be here with the member for Vancouver Quadra. Both of us were in Beijing. At that meeting a platform of action was adopted. It particularly acknowledged the importance of including the aboriginal communities in decision making specifically recognizing their knowledge of environmental management, addressing their right to education, to ensure equal access to health care and to acknowledge traditional health care. It is an important step. Around the world people

are talking about giving aboriginal peoples the tools to do what they need to do.

One of the key commitments made by our party in the last election was to act on implementing the inherent right to aboriginal self–government. We did so because we saw the place of aboriginal peoples in Canada as a litmus test for our belief in fairness, in justice and in equality. Sadly, it is a test which we as a nation have too often failed.

In the red book we promised to implement the inherent right of aboriginal peoples to govern themselves by negotiating self–government agreements. On August 10 we delivered on that commitment. We released our policy on aboriginal self–government and presented the principles which will guide the negotiations. This is a pragmatic and practical policy, one which we believe will work.

One of the key reasons we think it will work is that it is the product of some 18 months of consultation with aboriginal groups, provincial and territorial governments, as well as others on what they thought our policy should be in this area. In co–operation with provincial and territorial counterparts, our policy aims for direct negotiations with aboriginal people in their communities on issues directly affecting their lives.

As a government we believe the time has come to stop the endless, fruitless debates about how many angels can dance on the head of the constitutional pin and get down to negotiating practical, pragmatic and realistic arrangements that implement the inherent right of self–government. Our approach is new but it is animated by principles as old as our country, principles of respect, of tolerance, of fairness and of compassion.

In the case of British Columbia the policy provides that negotiations on self–government will take place at the same table as discussions on land and resources. The process and structures already in place for treaty negotiations and confirmed by Bill C–107, the British Columbia Treaty Commission act, will also be used to negotiate self–government issues.

These two sets of discussions, self–government on the one hand and land and resource uses on the other, complement each other perfectly. It means that for the first time the parties will be able to have all the issues dealt with at one table under one set of negotiations. This will be more cost effective, something I am sure members of the third party will herald as a great achievement. It eliminates overlap and duplication and permits a much more comprehensive approach to achieve progress, something I also hope they will herald. We are committed to ensuring that the same principles and practices of openness which have characterized the B.C. treaty making process will also be applied to the self–government decisions and discussions.

• (1310)

There seems to be some confusion on the part of members opposite, particularly in the third party, as to just what our inherent rights policy is all about. Let me lay down the main elements so they can see for themselves how the BCTC process can be utilized to negotiate fair and meaningful self–government agreements.

As a government we propose to negotiate self–government agreements with aboriginal groups and the province or territory concerned. These negotiations and the agreements they produce will be based on a number of principles.

We begin with the premise that the inherent right of self–government is an existing aboriginal right under the Constitution. What does that mean? It means we will recognize that aboriginal peoples were self–governing before the arrival of Europeans and that they never gave up that right to govern themselves, even though that right has been ignored or suppressed for many years.

Because this right is in the Constitution, it is enforceable in the courts. Litigation, as we know, is lengthy and costly and often serves only to create conflict rather than engender understanding. It can discourage a willingness to work together as Canadians to build a better, stronger future for our country. Is that not what we are here to do?

In the end, it is unlikely that the courts would go much beyond providing broad principles, leaving the details of self–government to be negotiated by the parties who would have to live with those agreements anyway. It is far better, this government believes, to negotiate practical ways of implementing this right at the outset, tailoring each agreement to the unique circumstances of each community or region.

Bill C–107 is not a one size fits all exercise. That approach has been tried and it only led to gridlock and frustration on both sides. What we need is an agreement and a process that is flexible enough to accommodate the diverse needs of diverse communities. This policy will do that.

The second guiding principle in our negotiations is that aboriginal self–government will be exercised within the existing Constitution. As a consequence, the right of inherent self–government does not include a right of sovereignty in the international law sense and it will not result in independent aboriginal nation states.

Our goal is to enhance the participation of aboriginal people in Canadian society, not place them outside it. The policy will not create little enclaves dotted across the country. It will provide aboriginal people with the tools they need to manage their own affairs and realize their own potential. It will mean an end to conflict and it will open the door to progress for all Canadians.

Third, the charter of rights and freedoms will apply to aboriginal governments as it does to all other governments in Canada. This of course makes sense only if we are talking about protecting rights within Canada.

The fourth principle is that federal, provincial, territorial and aboriginal laws must work in harmony.

While we are prepared to negotiate a wide range of powers, there are some areas that must remain with the federal government. As a general principle, matters which are integral to the aboriginal culture or internal to the aboriginal group are open for discussion. These might include areas such as education, health care, policing, natural resource management, agriculture, the establishment of governing structures, internal constitutions, elections and a leadership selection process.

• (1315)

However there are a number of areas where there is no compelling reason for aboriginal governments to exercise law making authority. Those areas include matters relating to Canadian sovereignty such as international diplomatic relations, foreign policy, national security and defence, international treaty making, immigration and international trade.

It includes as well matters affecting the fundamental national interest such as the management and regulation of the economy, the banking system, currency or broadcasting, postal service, emergency and peace, order and good government powers, and matters relating to the maintaining of law and order such as the Criminal Code.

While this is a federal policy we know we cannot go it alone because many of the jurisdictions contemplated by this policy are provincial. It is essential to have the territory or province concerned involved in the self–government negotiations. Its involvement will be crucial to the ultimate success of the process.

Not only do the provinces have jurisdiction over many of these areas, they also bring with them invaluable expertise in their administration. Having the three parties at the same table will allow new aboriginal systems, such as education, to be harmonized with existing provincial structures and minimize conflict down the road so as to create the best possible aboriginal governments. I am sure that is something we all agree with.

Fifth, where all parties agree we are prepared to protect rights and self–government agreements in new treaties. Finally, the government has made it clear that all funding for the negotiation and implementation of self–government agreements must come from existing resources. There will be no new money.

I have outlined the principles that will guide our discussions. As a government, we believe that they are both fair and realistic. We believe they provide a solid foundation on which to build. We believe they advance the rights of aboriginal people in a way which also protects the rights of all Canadians.

I have spent some time discussing inherent right because I am pleased to report that those involved in the B.C. treaty process have endorsed our self–government policy. Chief Joe Mathias of the First Nations Summit said that the new policy "means finally we have an important initiative that will bring First Nations into the 21st century".

Surely that must be our goal. With this bill we can begin to create the certainty that will encourage economic growth. We can provide the aboriginal people of B.C. with the tools they need to create the future they deserve.

We can move beyond the adversarial postures of the past to a new relationship based on mutual respect, trust and understanding, a new relationship that reflects the true Canadian values.

Some 50 per cent of all the aboriginal peoples in our country are under 25 years of age. It is an important point if we are to address their needs and make sure they have the systems in place to be the best they can be so that Canada can ensure them a long and successful future. It is an important point because all too often we talk about how we believe our young people are one of our greatest resources. Yet we do not always put our money where our mouth is in terms of implementing policies that will allow them to be just that, our greatest resource. We must do that more and more.

• (1320)

I am pleased to support Bill C–107 and encourage all parties in the House to pass it quickly and to agree with us in our position.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, it is always encouraging to listen to members that understand what processes we go through, the hardships we go through. One of the most often asked questions by members opposite, and other people I am sure, concerns the definition of self–government or inherent right. The two seem to always be an issue with some members of the public or politicians.

I will try to define what I think inherent right and self–government are. The hon. member elaborated on it. One time I was asked about the inherent right of self–government. I replied that as far as I am concerned it is the acceptance or the acknowledgement that we have been here for a few more years than anybody else. In the Indians' case it is something in the neighbourhood of 35,000 years; in our case it is a little shorter, only 3,500 years. However, we do not feel left out by the fact that the Indians have been here 30,000 years longer than we have.

The words inherent right and self–government to us have always been accepted as they are without trying to put them in a little box the way people quite often like to do. It is asked, is this the way it is going to be? Some people would say there is no other way when in fact there could be 10 different ways to do the same thing.

Would the member care to elaborate on her understanding of what is meant by self–government or inherent right? As far as we are concerned, it is the fact that we were here, we had a system in place. The Government of Canada and through it the Canadian people at large must acknowledge that we have the right to determine our future. We have that right to set up a self–government within our geographic areas without necessarily having to ask permission from a government that has been around for 125 years or so.

I wonder if the member would care to elaborate.

• (1325)

Ms. Torsney: Mr. Speaker, as the parliamentary secretary has outlined a number of principles related to self–government, I will identify some of the key principles that I think my constituents would be interested in and those that perhaps are a little greyer to some people than they should be.

Aboriginal self–government will operate within the existing Constitution. It is an important tool which will allow our aboriginal peoples the ability to make a lot of the key decisions which they need to make for themselves. Sometimes it is not appropriate for the federal government or the provincial governments to make all the decisions for this diverse group of communities which have very specific needs and problems that have either been neglected or that government policies at the provincial and federal levels in the past have tried to ameliorate but have only served to exacerbate because we tried this one size fits all philosophy.

The aboriginal peoples in the communities across Canada, particularly in B.C., need to be able to use their inherent rights to make the decisions within the context of the Canadian Constitution that will benefit their communities and see them empowered.

It is ironic that around the world people are recognizing the rights of empowerment of women, empowerment of individuals to make decisions, to have the tools to ensure they will be productive members of our communities so that we are more economically viable, we are more environmentally friendly and we take care of our population issues. All too often people within our own country do not recognize the importance of those values when it comes to a very specific group of people, the first people of Canada, the aboriginal peoples. Whether it was 30,000 years ago or more, they still were definitely our first peoples and we must give them the tools.

Another aspect, which seems to me to be common sense, but of course common sense is all too often not very common, is that the current system under which we have been operating has not worked. We have seen aspects of the aboriginal communities doing very well. I do not mean to draw from their success, whether it be in the arts, in business or in other areas of our communities. The aboriginal peoples have done very well in many aspects.

However, there are too many problems. There are too many young aboriginal people in jail. There are too many aboriginals who are dropping out of school, who do not seem to feel a part of Canadian society. It is incumbent on us to do everything we can to give them the tools so that they can be the best people that they can be.

This bill, this new approach to things, given that it was proceeded with after 18 months of consultations with the communities and with our provincial and territorial partners, has given us the answers and the policy decisions that they would like to see in here. It will be successful and it will make a huge difference in the lives of many Canadians, particularly our young aboriginal Canadians, to whom we must leave a good legacy.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I am one of the first to support self–government at a local level within the context of Canada being the nation. Not only do I talk about it; I have worked hard to implement it.

I have a concern which I would like the hon. member opposite to address. How do we deal with the aboriginal communities who see inherent self–government as being separate and apart from Canada? They see the right of inherent self–government as a separate and distinct nation from that of Canada. How will we deal with those aboriginal communities which see inherent government as being separate from the Government of Canada?

Ms. Torsney: Mr. Speaker, certainly this is a process which is evolving. I am pleased to have her support for the concept and for this bill in terms of self–government.

There will be a series of negotiations, but I have outlined already the basic principles on which we are proceeding. It must be within the context of the Constitution. We must ensure the structures are appropriate on the issues they have decision making power on and it is all outlined in the bill and in the process we are going forward with.

The Deputy Speaker: 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*]

SENATE

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.) moved:

That, in the opinion of this House, representation in the Senate should be equal from each province, elected by the people, and have sufficient power to make it effective in order to better represent the people of the less populous provinces.

She said: Mr. Speaker, it is a great honour for me today to rise as the mover of Motion No. 459 and therefore to speak in favour of it.

Advocating a triple E Senate has been part of the platform of the Reform Party of Canada virtually from its inception. As Senate critic over the past year I have had the opportunity to research the Senate. Senate reform for the Reform Party and for all of us from the less populous provinces addresses a feeling of alienation from central Canada and the central government, which has grown through the last two decades.

This feeling of alienation stems from the reality that governments will respond positively to pressure exerted by the provinces or the regions that contain the largest portion of our population. Sometimes these policy responses are at the expense of the smaller provinces and their desires. Equality of representation of provinces in the second chamber of Canada's central Parliament we believe would give the people of the less populous provinces real clout over the policy agenda of the federal government.

However, I am getting ahead of myself. I would like to spend some time today talking about the original purpose of the Senate; in other words, why it was created. I would like to speak about how it has performed this role, then deal with the criticisms of the Senate and attempt to respond to them. I will then conclude with the reasons why I believe the triple E concept for the Senate makes a lot of sense.

The Senate was designed to perform two main functions, the review of legislation emanating from the lower House, and provide a forum wherein the regions would have a voice in the central Parliament's law making process. It was to provide an institutional voice to small governments and perhaps to minority groups against the popular majority of the lower house. One could say that it was designed to act as a political bridge between the component parts of the federation and the central government.

The work of the Senate as presently constituted in the scrutiny of legislation has been praised by most political commentators. Also, Senate committees have carried out useful investigative studies over the years, which have added new information to policy development. Yet criticism has been levelled against senators who have stayed in the post regardless of the fact that they may show up only once a year, some less often than that. This criticism stems from the fact that senators used to be in for life. Also, because of undeserving patronage appointments Canadians have lost respect for the Senate, so much so that it has resulted in uncomplimentary names and references such as the old boys' club.

However, the main criticism of the role played by the Senate in our country concentrates on the inability of the institution to represent all regions. This has led to great frustration in western Canada predominately because there is a definite perception that central Canada, because of sheer numbers, sets and controls the public policy agenda.

Following on this argument is the feeling that senators, because they are not elected, have no legitimacy to act. Therefore, even if senators decided to start voting in regional or provincial blocs, they would not have the ultimate legitimacy to do so, in that they are not elected by the people of Canada. This is a strong reason for an elected Senate.

Bear in mind as well that our present Senate's powers are virtually equal to those of the House of Commons, except that while it can initiate legislation except money bills, it cannot hold up constitutional amendments for longer than 180 days. With these two exceptions, it is important to note that it can defeat, amend or indeed stall all legislation coming from the House of Commons. However, because of its lack of legitimacy its exercise of these powers is constantly subject to criticism. Therefore this lack of equality of representation and legitimacy to act to either defend or promote the interests of the smaller provinces has given great impetus to the movement of Senate reform.

• (1335)

While the impetus to a triple E Senate seems to have grown out of actions by the previous Liberal government to implement the national energy program, there have been other proposals for reform. Let us take a look at some.

The most popular subject for these proposals has been the method of selection of senators. Popular election, provincial government appointment and a mixed formula whereby half would be appointed and half elected have been proposed through the years. As early as 1908 Senator David suggested one third of the Senate chamber be named by the federal government, another third by the provincial government and the final third by universities and other public bodies.

A popular suggestion for reform in the 1970s was the creation of the house of the provinces. This second chamber would be made up of delegates appointed by the various provincial governments or perhaps provincial cabinet ministers. This was a second chamber modelled on what was then the West German upper house. While this reform had many supporters, especially among the provinces, it was obvious that this Senate could quickly evolve into a house of obstruction or a constitutionalized permanent federal–provincial conference. Neither scenario would have a long term positive effect on how the country is governed. Provincial interests only would be advanced in the

upper house, with the national interest taking, at best, second place.

The idea of an elected Senate attained prominence in 1981 with the publication by the Canada West Foundation of "Regional Representation—the Canadian Partnership". It was based on the work of Dr. David Elton of the foundation and Mr. Burt Brown of Alberta. In 1982 Senator Duff Roblin, former premier of Manitoba, proposed that senators be elected on a basis similar to the elected system in Australia.

The first federal parliamentary report to espouse an elected Senate was written by the Special Joint Committee on Senate Reform and released in 1983. It is noteworthy that the Senate co–chair of the committee is now the Speaker of the Senate, Senator Gil Molgat of Manitoba.

More recently, the Meech Lake accord proposed a hybrid type of appointment procedure for Senate vacancies, and the 1992 proposed Charlottetown accord proposed an elected Senate. I remember in British Columbia just how this was interpreted by our present NDP government. As a matter of fact, it was the B.C. provincial government's interpretation of the proposals for Senate change in the recent Charlottetown accord that helped to precipitate my entry into politics. At the time there was some suggestion that the provincial government would control the format of how the elections by the people would proceed.

In B.C. statements were being made by elected government MLAs and the premier that there would be equal men and women and the government would look after candidate selection for Senate seats. The first statement flies in the face of Canadian tradition. Canadians have long been committed to a system of merit for job applications. That is, those who can do the job best should do it. And any potential candidates for a Senate position must come from all spectrums of the province, not from government patronage lists.

As a point of interest, we must recognize in our country that to hire employees according to an ethnic and gender preference program is not working. In California, where the selection of employees has been based on preferential treatment based upon race and gender over the last while, Americans are going to see a ballot question in the 1996 election year that will potentially forbid the use of ethnicity or gender as criteria for either discriminating against or granting preferential treatment to any individual or group by the government.

Those who take the time to think realize that discrimination, if it exists, cannot be cured by counter discrimination. It is very divisive and fundamentally unfair.

During the 1980s a unique event in the history of the Senate occurred in Alberta. Alberta enacted legislation to enable persons to stand for election on a province–wide basis to contest a vacant Senate seat. An election was held and Reform Party member Stan Waters topped the polls. He was subsequently summoned to the Senate by the Governor General on the advice of the Prime Minister. Unfortunately we lost Stan Waters before he had the opportunity to show Canadians just how valuable an accountable senator could be. The election of Senator Stan Waters is a valuable precedent. Unfortunately, it was not followed with later Senate appointments from Alberta.

That very briefly is the history of how we got to where we are now, the history of why the contents of this motion are so dear to the hearts of all of us who represent the Reform Party.

The triple E Senate should be elected and therefore accountable. It is our belief that a Senate must be popularly elected. In a democratic age in a country that prizes democracy so highly, an appointed upper house lacks legitimacy.

• (1340)

More specifically, elected representation is essential in addressing issues of equity, since an elected Senate would place greater emphasis on increasing the likelihood that people will be elected based on merit rather than appointed simply to fulfil equity quotas. This would also address the longstanding problem of patronage appointments.

Let us take a look at the issue of patronage and the practice of the government to promote adding party members and friends to the Senate, whether as a result of section 26 of the Constitution Act or just to fill vacancies.

Section 26 of the Constitution Act, 1867, provides that in exceptional circumstances an additional four or eight senators may be appointed. This provision was invoked in December 1990, when the Senate systematically opposed passage of the legislation introducing the goods and services tax, legislation that had been passed after much contentious debate in the Commons. Here it could be argued that the Canadian people did not want the GST, but in order to raise more money in taxes—sounds like England in the days of wicked King John and others—the government of the day forced through legislation that people did not want by invoking section 26 and adding more senators.

If senators were elected by the people of Canada, the Prime Minister and present government could not run roughshod over the wishes of the people or set the odds in his government's own favour, but would have to abide by the will of the people.

At this time I must remind the House that we have a similar situation in the House of Commons today. We have the hated legislation on the contentious Bill C–68. The people of Canada do not want the national gun registration. Most of them know that forcing law–abiding Canadians to register guns that have been collected over the years, some as collector's items, some to be used in hunting, and some left to them as heirlooms from their fathers from a previous period in history, will not make Canadians one bit safer in their homes.

Most Canadians have done their research and know of the thousands of weapons smuggled in each year over our borders. Most Canadians know that these illegal weapons will not be registered. Most educated Canadians know that criminals or those with minds of criminal intent can get guns in all of our major cities from the underground network. Worst of all is the computer list that honest, law–abiding citizens will be placed on when they register their guns. They say those lists will be secure. American and Canadian authorities already admit that security cannot be guaranteed any more. The criminal element in the new computer world and information age breaks our security time and time again. American spokespersons readily admit the computer criminal gets access from supposedly secure documents.

Now our law–abiding citizens will have their names placed on these lists. Criminals will be able to access these lists. How safe now will Canadians be in their homes? If they are law–abiding citizens already, their guns will be locked up with the bullets in different places. The criminal will have the advantage both of surprise and of being prepared for a fight. Is this what this government wants, to put good, law–abiding citizens in jeopardy? No, it says. Then why have the national gun registration? Will it make Canadians safer in their homes? No. Will their names being placed on a list for all and sundry to steal from make them safe? No. Is this then another way for this government to raise money, taxes, as it is already deep in debt and going deeper all the time? Possibly.

This is the damage that occurs in our country when senators are placed in positions as vacancies occur, rather than being elected by Canadians, for the Senate can vote against government legislation. It can vote against poor government legislation.

In the case of the GST, which costs us heavily in the administration of it, the Prime Minister of the day invoked section 26 and appointed more senators at his own will and forced the GST on the Canadian people. In this way the governing party became a majority in the Senate and the hated GST legislation finally passed.

How has the GST helped Canadians? It has forced some businesses into bankruptcy. It has added extra tax burdens on already heavily taxed citizens. At present, when Canadians get their paycheques, after taxes they are taxed again. The promise of the government of the day that part of the GST would go toward reducing the deficit and debt did not happen. What about the growing underground economy, growing because of the enormous tax load placed on Canadians?

Today, because of attrition, the Liberals can stack the Senate and once again we will have the wishes of Canadians put second to the wishes of the Prime Minister and the cabinet. By appointing the latest four senators, good strong Liberals, to the Senate we are seeing once again the upper house not being accountable to the people. Canadians can do nothing about making senators accountable. Only with an elected Senate is this possible. If the hated gun legislation is forced on Canadians, down the road we will see happen exactly what Canadians warned today's government would happen.

• (1345)

Today's law–abiding citizens will be forced to break the law to protect themselves and their families. Canadians will be more vulnerable in their homes if the criminal element will know where the guns are.

Another costly government bureaucracy will have been created as the present federal government attempts to administer this latest tax burden on Canadians. The present gun registration will have proved no more effective than the existing gun registration, which has been in force for many years. It is past time that we as responsible MPs looked to an elected Senate so unpopular laws are not forced on the Canadian people.

As far as the method of election is concerned I think we have a lot to learn from our Australian friends. In a recent edition of the *Canadian Parliamentary Review*, Professor Howard Caddy, in an article about the Australian Senate, states that proportional representation ensures that the upper house in Australia does not reflect exactly the representation of the lower house.

He also goes on to say that "as a result of the fact that the political party composition of the Senate is usually different from the House, compromises can be obtained when there is a difference of opinion between the two houses on particular legislation". It can be worked out.

When we look at an equal Senate under the triple E Senate, each province will have the same number of seats. This is the present situation in both Australia and the United States. In such a Senate the less populous provinces would have a majority of the seats just as the more heavily populated provinces do now in the House of Commons.

Regarding equality, at present the Constitution stipulates that there shall be 104 senators, a number that can be changed only by constitutional amendment. Distribution of Senate seats is by region now in Canada. If we look at Ontario and Quebec, they have 24 each. If we look around the rest of Canada, the west has only 24 between four provinces and the maritimes only 24

between three. The present representation favours central Canada and is unfair.

Do we need 104 senators? No, we do not. Can we lower the numbers? Yes, we can if the will of the Canadian people decides so. Now that senators are no longer elected for life and leave the Senate at 75 years of age, it is opportune to look at the less cost involved in fewer senators and the fact that absenteeism should be a less serious problem than it was in the past. An equal number of seats from each province suggests a fairer representation.

Should the two most populated provinces with the most MPs in the House of Commons also have the most senators in the Senate? No. This policy is unfair for the less populated areas of our vast country.

To be effective the Senate must have adequate power to balance the House of Commons. We do not believe that defeat of a government bill in the Senate should lead to the resignation of the government. However when we are fine tuning the powers of this Chamber we must ensure that the Senate can amend or veto regionally offensive legislation.

In conclusion, the adoption of an elected, equal and effective second chamber in Canada's central Parliament would be of great benefit to our political system. Through equality the interests of small provinces would be protected. With the combination of elected and effective, senators would have the legitimacy to act, to amend or to defeat legislation which did not respect regional differences in the country.

It would also combine the best aspects of the present Senate, its scrutiny of legislation, with the legitimacy to act to defend regional interests.

I realize as with all proposals there is some fine tuning to do. Ways must be found to ensure elected senators do not act to slavishly serve the interests of the political party they represent. They must have the freedom to represent their regions even if the interests of the region do not coincide with the interests of the national political party they represent.

However these are details and we can work them out if we get the fundamentals right, an elected, effective and equal Senate.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to speak on behalf of the Bloc Quebecois on the motion by my colleague, the hon. member for Mission–Coquitlam, which reads as follows:

> That, in the opinion of this House, representation in the Senate should be equal from each province, elected by the people, and have sufficient power to make it effective in order to better represent the people of the less populous provinces.

This will be recognized as the proposal for the triple E Senate, that is elected, equal and effective.

Let me state right at the onset that I am going to oppose this motion and I shall close my remarks with what it leads me to conclude about the present Senate.

• (1350)

First, I want to deal with the concept of an elected Senate. To start with, obviously, we know that the Senate is one of the two Houses in this country. A number of countries have two houses, the USA and France, for instance.

What sets the second chamber apart in Canada, as in England, is that it is not elected, in other words the members are appointed. The Senate we have is an elitist Senate, an aristocratic Senate, one that is not accountable. Often its appointees are men or women who have had a long career in politics, or business leaders who backed a given political party, or party organizers who find in the Senate the income and means to allow them to continue to serve their party.

The Senate in its present form is an extremely negative aspect of our democracy. When reference is made to an elected Senate, I think that most people who want to have a Senate, to retain the Senate, would agree that in the current political situation and in response to current views on democracy, the Senate ought to be elected.

Now, for the concept of an equal Senate. From what I have been able to understand, each province would have the same number of senators, like the U.S. Senate. I think some people here either watch too much American television or are at least very much aware of the American philosophy and would like to see in Canada people with the same power as American senators. When we look at American history and the process by which every State large and small, was given the same number of senators, we see that at the time the political philosophy was such that people wanted to create a certain equality between the States by having the same number of senators from each State.

However, that was in the 18th century, and we are in the 20th century. I think that in the 20th century, people do not look kindly on the fact that states or provinces with a population that is relatively low compared with the more densely populated provinces, and I personally and the people of the Bloc as well do not look kindly on the fact that some provinces are given so much power, considering their low population numbers.

If we look at the current system in Canada, each province is represented in the House of Commons, according to a certain ratio that is used to determine proportional representation. I think that considering the present state of democratic thinking, people are well represented.

There could be some special considerations on the basis of which one part of the country would be better represented than another part, there is the historical aspect, there is the cultural aspect and there are all kinds of considerations, but I do not see why, considering the present state of Canadian culture or Canadian politics, Prince Edward Island would have the same number of senators as Ontario. It would be interesting to see some evidence that this would be better than what we have now.

The concept of an equal Senate takes us back to the Constitution of 1982, in other words, Canada as checker board, a vast country divided into ten parts, with each part being equal to the other. That is what we saw and that is what we see now, to a certain extent under the current amending formula for the Canadian constitution, and I think that if we consider the effectiveness of this mechanism, we may have some reservations about giving certain parts of the country so much power that they could easily obstruct the operations of our institutions.

I am referring to the potential power of entities that may represent as few as 300,000 people out of Canada's total population of 28 or 29 million, so I do not think that today's proposal for an equal Senate is in the interests of Canada and Quebec.

• (1355)

And now, let me deal with the concept of an effective Senate. When the hon. member for the Reform Party introduced her bill, she made a connection between effectiveness and the Senate's power to obstruct, to hold up legislation passed by the House of Commons. I think there is something a little dangerous in all this. It would mean having a Senate that would obstruct the will of the representatives of the people. Two, three or four hundred years ago, the people in the Commons were not always considered to be sufficiently intelligent, knowledgeable or enlightened to debate the real problems, so people were appointed to block their decisions.

Today, however, if we look at countries with only one house, we can see that democracy functions effectively and well there. In Quebec and Ontario there is no longer a second appointed house, and democratic institutions are functioning well. So I do not think we need a second house to block the democratic will of the representatives of the people, as is currently the case.

Reference was made to the gun control bill. It is totally unacceptable, in my opinion, for appointed senators to be able to block legislation passed by a large majority of the representatives of the people. I see it as dangerous for democracy in Canada when people who have not been elected are given the power to prevent the will of the people's representatives from being effectively expressed in the administration of the country.

Therefore, we in the Bloc oppose the motion. The motion is not a votable item, but if it were, we would vote against it, particularly because we have repeatedly called in the House for the abolition of the Senate. We consider the present Senate ineffective. We consider it too costly. According to the budget, the Senate will cost Canada $42 million this year. The services the Senate currently provides have a certain value. However, in comparing their cost with the Senate's potential influence, its effect, if it were operating at maximum capability, I think that, right now, the $42 million spent on the Senate is too much, given the needs and the cuts being made in various areas, where there are desperate needs.

We are calling for its abolition, particularly because we have no hope or expectation of its being reformed. It is impossible. With the Canadian constitution as it currently stands, if we look at sections 38 and 42 of the constitution, we see that Senate approval is required to amend the powers, role, election and appointment of senators in Canada.

So, from what I understand of the way the institution works, I do not think the senators would go so far as to commit hara–kiri. So, I think the only way to abolish the Senate is along the lines of the motion I made in connection with the bill to implement certain elements of the latest budget. It would simply be a matter of cutting off the Senate, of arranging for senators not to be paid anymore, of abolishing the funds needed to operate the Senate so that the Senate dies on its own. With the state of Canada's constitution and the way institutions work, it is beyond reform, it is ineffective, it is not elected, and the powers currently in its hands serve more to hamper the flow of democracy in Canada than to help Canadians live better in this country.

• (1400)

[*English*]

Mr. Gouk: Mr. Speaker, there were some very interesting comments made by the hon. member from the Bloc.

The Deputy Speaker: The Chair received no indication that anybody on the government side wished to speak. The Chair has not seen anybody on the government side stand. However there is a rotation and we have heard from one member of the Reform Party. Therefore the hon. parliamentary secretary to the government House leader has the floor.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am sorry to interrupt the hon. member. I know I would enjoy hearing his remarks, but I think in terms of the normal rotation of speakers among the parties that a government member should participate in this debate at some point.

The hon. member for Mission—Coquitlam has proposed a motion to the House and I am pleased to speak on it. I was surprised that she did not quote from her leader in the course of her remarks. I thought a decree had been issued from the leader's office that all members of the Reform Party were to quote the leader in every speech at least once. Perhaps she forgot the decree this afternoon.

I would like to help her out because I have a quote from the little green book. It is the little book of Reform, the gospel according to the hon. member for Calgary Southwest and the Reform Party.

The hon. member for Calgary Southwest in one of his more lucid moments said: "The three priorities of the present Senate are in order: protocol, alcohol and Geritol". These remarks might be considered by some to be insulting of the Senate. I guess for that reason the hon. member for Mission–Coquitlam did not feel it was appropriate to quote those remarks. However, I have quoted them.

The hon. member for Calgary Southwest evidently thinks these remarks are appropriate. I know that his views are shared by the hon. member for Kindersley—Lloydminster because the last time I quoted this he was citing along with me. He remembered all the words. He had memorized the words of his leader and quoted them along with me.

I point them out because there is a lot of agreement on that point among members of her party apparently. Yet, at the same time, they have not proposed the abolition of the Senate, as members of the other group which was largely western based, the New Democratic Party, used to do and still does. They now are back to abolition but for a while they supported the Senate.

Mr. Speaker, you will remember in the last Parliament when we were debating the GST that the NDP changed its principles. The principle was that there could not be an unelected body in Parliament; however, it changed its principles in the course of the GST debate.

I see that I have hit a nerve.

Mr. Morrison: Mr. Speaker, I rise on a point of order. I am wondering what the relevance of all this is to the matter which is under debate.

The Deputy Speaker: The hon. parliamentary secretary will make his point relevant very soon.

Mr. Milliken: Mr. Speaker, I remind the hon. member for Swift Current—Maple Creek—Assiniboia that this motion deals with the Senate; it is not on gun control. He may have heard the hon. member for Mission—Coquitlam spend half of her time speaking on gun control. The only reason she did so was that her arguments on this motion were so thin she ran out of them in about 10 minutes and had to fill in the rest of her time on gun control.

This motion is about Senate reform. If the hon. member had read the motion instead of making these interruptions, he would realize what I am talking about. We are talking about the Senate and I was talking about the approach of the New Democratic Party to the Senate. It wanted to abolish it. The motion before us is not for abolition; it is for a triple E Senate and it is that to which I wish to speak.

The hon. member's motion proposes changes to the powers, the method of selecting senators and the number of members by which a province is entitled to be represented in the Senate. Thus the motion would require a constitutional amendment under the seven provinces with 50 per cent of the population general amending procedure. That is what would have to be done in order to achieve the amendment as proposed by the hon. member.

This seven and fifty amendment, as we call it, seven provinces and 50 per cent of the population represented by those seven provinces, must have the consent of the House of Commons and the legislative assemblies of two–thirds of the provinces representing at least 50 per cent of the population according to the most current general census. The Senate could in respect of such a constitutional amendment exercise a six–month suspensive veto.

Once again, I would say to the hon. member that the Charlottetown accord contained a Senate amendment proposal along the lines proposed in the hon. member's motion, but it was defeated by a majority of Canadians in a majority of the provinces. There is little evidence to indicate that Canadians wish to reopen this constitutional debate. Other issues, such as the economy and job creation, are the priorities of Canadians. That is why the government is dealing with those issues and not the one the hon. member has raised today or any others like it.

• (1405)

I think the hon. member would agree that despite her best intentions, this is not a good time to be opening a constitutional debate in this country, as her motion would suggest. In Quebec the current government of that province is unlikely to approve any constitutional changes, save for an amendment making the province an independent country.

It is important to note that because Quebec's approval will be necessary to achieve the kind of Senate reform she wants, we should not bother pursuing it. We need that agreement. It is not just because it has to be part of the seven and fifty portion of the agreement; Quebec has a special arrangement.

Quebec of all the provinces is divided into 24 electoral divisions for the purposes of representation in the Senate pursuant to section 22 of the 1867 Constitution Act, the British North America Act. Because Quebec senators must meet their property or residence qualifications in the division they represent, it could be argued that a scheme for Senate reform which sought to provide equal representation for the provinces, as this motion does, might require not only seven of the provinces

representing half the population but also a bilateral amendment with Quebec if the current provisions respecting these 24 seats were to be altered.

Bilateral and multilateral amendments are covered by section 43 of the Constitution Act. It provides that an amendment to the Constitution in relation to a provision applying to one or more but not all provinces requires the consent of the Senate, the House of Commons and the legislative assemblies of each province to which the amendment applies. Imagine getting that kind of agreement in the Senate, let alone in the provincial legislatures involved.

Bilateral or multilateral amendments are not subject to minimum and maximum time limits and do not require votes by a majority of the members of the legislative bodies involved. Otherwise they are subject to the same rules as the seven and fifty amendments and the Senate is limited to a suspensive veto.

Thus even if Parliament were to pursue the motion and seek to amend the Constitution in accordance with it, it is doubtful we could secure the requisite consent of the National Assembly in Quebec. Furthermore there is also no guarantee other provinces would approve of these changes.

The Ontario government of Premier Mike Harris could hardly be expected to weaken the province's influence in the upper chamber without getting something in return, being mindful of the defeat of former Premier David Peterson in 1990 after he agreed to give up some of Ontario's seats in order to keep the Meech Lake accord alive. We all remember that. I thought it was a generous gesture on the part of the premier but it was not popular in Ontario. Mr. Speaker, you would remember that; you have a seat in Ontario.

Smaller provinces like Nova Scotia and New Brunswick which together represent 6 per cent of the population and hold 19 per cent of the Senate seats are hardly likely to be enthusiastic supporters of the motion put forward by the hon. member for Mission—Coquitlam. Therefore I think there is very little reason to believe that these provinces would consent to any changes unless they got something in exchange, like a stronger constitutional obligation for the federal government to make equalization payments. I only throw that out as one suggestion out of many possibilities.

Furthermore we could not contemplate radical Senate reform without public participation. Various groups would argue that other constitutional issues are far more pressing than changes in the Senate and should take precedence over the Senate, things like entrenching specific rights of aboriginal peoples in the Constitution.

Again, I draw attention to the failure of the 1992 Charlottetown accord. This accord contained provisions for an elected, equal and more effective Senate, all the things that are in this motion. It was rejected in a federal referendum in nine provinces and two territories and in a provincial referendum in Quebec. A majority of Canadians in a majority of provinces voted no.

Outside Quebec, Canadians rejected the accord by 54 per cent to 45 per cent with 1 per cent casting spoiled ballots. Quebecers voted 55 per cent no, 42 per cent yes. In the member for Mission—Coquitlam's province of British Columbia the Charlottetown accord suffered its most resounding defeat where 67.2 per cent voted no. Yet she trots into the House today and puts forward exactly the same provision that was in the Charlottetown accord.

I thought her party trumpets how democratic it is all the time. The will of the people in her own province was 67 per cent against this proposal and what does she do? She trots in here and proposes the same thing. I have hit another nerve and this one is from Saskatchewan.

Mr. Morrison: Mr. Speaker, I do not believe it is proper for a member to use deliberately inaccurate data when he makes—

The Speaker: Order. I think we are getting into debate. I am sure the hon. member will have his turn in a little while to refute whatever one hon. member or another says. We always have the interpretation of figures which can go either way.

• (1410)

However, I caution all hon. members in using the term. I believe I stand to be corrected, but deliberately mislead is an unparliamentary term and I would hope all hon. members would shy away from it.

Mr. Milliken: Mr. Speaker, I do hope these needless interruptions will not be taken off my time. I am pressed to finish what I think is an accurate speech and I am looking forward to the hon. member making his own instead of interrupting by arguing.

Again, I express my shock that the hon. member for Mission—Coquitlam would come forward with proposals very similar to what was in the Charlottetown accord after that accord was rejected out of hand by the electors of her riding, and even more shockingly was rejected by her party and opposed vigorously by her party while some of us had the good sense to support it.

Despite the fact that the accord contained provisions for major Senate reform, including measures to provide for representation of aboriginal peoples and new powers to veto any House of Commons legislation that changed taxation policy in key areas of natural resources, this accord failed. I stress that.

The Charlottetown negotiations demonstrated that agreement among first ministers, territorial and aboriginal leaders was possible, but it was not arrived at easily. Although the Reform Party leader referred to the accord negotiated by 17 parties as the Mulroney deal, it was in fact the result of a very complex process that required extensive accommodation and compromises.

Writing in the Edmonton *Journal*, former Alberta Premier Don Getty said: "The package was so difficult to get, I would say it was almost a miracle that we were able to put it together". Yet here the Reform Party, having worked against it and having striven for its defeat, now is pulling chunks out of it and saying it supports this and that, let us do this and let us do that. It shows what a lack of sound policy thinking it has. It keeps going back to things that are really dead. The Reform Party should rethink this resolution.

I urge the hon. member for Mission—Coquitlam to consult with her leader again, refer him to the quote I have read from the little green book, and ask him what he really thinks of this motion to see if he does not think that perhaps it is pie in the sky, unnecessary, and not a reasonable thing to put forward in Canada as we know it today, having gone through these two recent constitutional discussions at great length and at great pain to our country.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I have a few notes to keep me on track, but after some of the unbelievable rhetoric I heard coming from the hon. member for Kingston and the Islands I feel like throwing them out and straightening the record on all the things I would probably make unparliamentary reference to if I were not under complete control.

The one comment I will make is about how the hon. member said that former Premier Peterson of Ontario was thrown out of office because he agreed to reduce some of the seats for Ontario in the Charlottetown accord. I suggest he was thrown out of office because he was a Liberal. We will soon see that happening on the other side here as well.

I will deal with other parts that he erroneously brought forward in the content of my comments today.

The Senate is something about which I hear a lot of complaints. It is an ongoing complaint within my riding. I have a tremendous number of people who communicate with me in one form or another asking why the Senate is even there and calling for its abolition.

One of the things I have suggested to them is that the Senate in its current form does not provide much of a benefit to Canadians. It is in essence a rubber stamp most assuredly for the balance of this term of government, now that the Liberals have functional control of it, and carrying on for as long as it takes the balance to shift again once we have managed to send the Liberals to the other side of the House, chasing after Mr. Peterson. There is no need for it to be a rubber stamp, but that is the way the system currently works. We are saying rather than abolish it, change it into something that is far more democratic.

The hon. member for Kingston and the Islands, the Prime Minister and many others who occasionally sound out on the other side of the House keep talking about the Charlottetown accord and how we rejected not the Charlottetown accord but the triple E Senate. The Charlottetown accord was not about a triple E Senate. That was a little carrot put in there, which was kind of like putting a bad tasting pill in something sweet to try to attract us.

• (1415)

The Reform Party gave full credit to any part of the Charlottetown accord that was worth while. We said there were some good parts. At any place I went to address the Charlottetown accord, the first thing I commented on were the good parts, not all the garbage that was in there. Believe me, there was plenty. Some of the parts were actually good.

It is absolutely ludicrous that the Liberals, every time we try to bring up something that has some linkage to the old Charlottetown accord, say it was offered to us on a platter and we turned it down.

There are three parts to a triple E Senate. First is the elected Senate. We could have that part now without any constitutional amendment. It takes absolutely no change. It takes the co–operation of the Prime Minister and his Liberal cronies to agree to do what the majority of Canadians would like to see.

We have already seen it. We have seen the democratic election of Senator Stan Waters in Alberta. As other vacancies have occurred, we have called on the Prime Minister to allow that province to designate who it would like him to appoint by allowing it to hold a democratic election, as Alberta did, instead of appointing some Liberal hack he had some obligation to look after for one reason or another. The majority of Albertans said they wanted Stan Waters.

Why not start this now? The reason is that the Liberals would not have any place to pay off all the people they have obligations to and to put future obligations on people whom they place in the Senate.

Many senators not only could get elected but would be willing to stand for election. It would give them the credibility they may be due but have lost because most people look on the Senate simply as being loaded up with friends and people who have special ties to the party in power, whatever that party might be.

What does electing senators provide? It provides regional representation from people who do not owe their allegiance to their patron but instead can represent the people of the region they come from.

The second part of a triple E Senate is equality, the equalness of the Senate. It calls for an equal number of senators from each province. We live in a country that goes by the concept in government of representation by population, the ultimate definition of democracy which should not be changed.

There are problems with almost every system and rep by pop has its problems, particularly in a country where 90 per cent of the population lives within 50 miles of the American border in a huge geographic area. Further, a large portion of them live in the central part of the country because that is where the original development started before moving westward. There is an imbalance in the distribution and the needs of the people in the different regions.

We need in the Senate some kind of regional balance to provide control over the problems created by rep by pop. This might be a difficult concept for centralists but there is a growing number of regional concerns that the government and others do not address.

The Quebec referendum is a direct result of what happens when regional concerns are not addressed by Parliament. The number of senators has to be large. Two people represent states in the United States that have population bases as large or larger than this entire country. They do it quite happily with two people. I do not hear complaints from California, from Texas or from New York that they have the same number of senators as Rhode Island. I refute what the previous member from the Bloc Quebecois had to say.

Finally, we get to the third part, the effective part of triple E. The Senate must have sufficient powers to be able to provide a regional perspective and address regional problems created by legislation without being beholden to their patron.

A majority of the House, as was referred to by the member for Kingston and the Islands, is not necessarily a majority. A majority from the Liberal Party is the word of the Prime Minister. We have seen that with several bills already where some members in the Liberal Party had the audacity to vote according to the direction of their constituents and were thrown out of their committees for it. That is not a majority. It is not democracy. That is autocratic rule. That is what a Senate has to be able to overcome. A triple E Senate gives them the tools and the power to do that.

• (1420)

This creates a dilemma for members of the Liberal Party. I can understand that because they would lose this tremendous source of patronage appointments, a place to shove their friends and other people to whom they have obligations.

There was a vacancy for the chair on the board of referees in my riding. I heard through very good sources that the former assistant campaign manager of the Liberal candidate was being appointed to that position. In fact, he came to us and told us not to bother putting any names forward because he was getting it.

I raised the matter in the House and eventually it became a big issue. I certainly was talking about patronage. The individual was interviewed by the Vancouver *Sun* and was asked whether it was a patronage appointment. When asked how he would respond to that, he said: "What is wrong with patronage? How else are we going to get anyone to join our party?" How else indeed.

I am not suggesting that all senators are not good. There are some good people in the Senate, but that is more from good luck than good management. I am simply pointing out that the Senate does not do the job most Canadians need and want it to do. There is an opportunity for us to start now with the triple E part by having elected people going to the Senate.

Let us start with an idea that does not need any constitutional change and then branch out from there. Before we know it, the place may even become fully democratic.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, the private member's motion before us proposes changes to the powers of the Senate, the method of selecting senators and the number of senators by which the provinces are entitled to be represented in the Senate.

Clearly what needs to be understood here is that the third party is asking that there be constitutional change. If there is one thing which is absolutely clear, it is that Canadians have said they do not want constitutional change now. They want to focus on priorities. They do not want us to focus on constitutional change. They clearly expect, and rightfully so, for us to focus on their priorities which are jobs and economic growth.

The hon. member talks about regional problems, regional priorities and regional concerns. One thing we can be positive about is that all Canadians no matter where they live in Canada are concerned with jobs and economic growth. It is time to focus on exactly those.

The thing I find so difficult about this type of motion is that members of the third party had an opportunity to support exactly what this motion is asking for in the Charlottetown accord but they chose not to. They had their opportunity but instead chose political opportunism ahead of principle.

The Reform Party stated in Montreal on October 15 that it wanted to change federalism only through administrative agreements, not constitutional talks. Each of the 20 changes proposed by the Reform Party could be accomplished without comprehensive federal–provincial negotiations of the sort that led to the failed Meech Lake and Charlottetown accords.

What we are seeing here is an absolute flip–flop. The introduction of this motion shows once again the inconsistency of the Reform Party. It adopts policies based on which direction the wind is blowing at the time. Certainly the member must realize that her motion would require constitutional amendments. I ask: What will it be, constitutional amendments or Reform Party administrative agreements? The Reform Party must make up its mind. This is an incredibly inconsistent statement.

In conclusion, unlike the Reform Party, our government believes in working with Canadians to improve the effectiveness and responsiveness of our federal institutions. We have done many of those things already. We have taken a number of steps, for example introduced parliamentary reforms to allow MPs to better represent their constituents, overhauled the committee process to allow for greater input, and so on.

• (1425)

I close by saying that Burt Brown of Alberta is the strongest proponent of a triple E Senate. Everyone in Alberta recognizes that clearly. He is being really responsible. Today he is not talking about a triple E Senate. If members know Burt Brown they will know that he ploughed a giant message in his fields with the words: "It is better together".

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, there is conventional wisdom among the people who sit at my right and certainly those who sit at my extreme left, no pun intended, that the best thing to do with the Senate would be to do away with it and save the people $40 million annually.

That could be done but it would be a very shortsighted move. We need a real Senate, not the old people's home that we have over there now, to protect the common people from the House of Commons or, to put it perhaps more succinctly, to protect the public from the PMO.

Every meaningful federal union on earth, save ours, has an elected upper house to protect the rights of the regions. If we look at what has happened in Canada in the last five years, we see there have been two instances where the existence of a real Senate would have permanently blocked some very unsavoury parliamentary legislation. The first instance was the infamous GST which passed because there was a Senate that could be easily manipulated by the Prime Minister.

The second one has already been alluded to by my colleague and that is Bill C–68, the people control bill. They call it the crime control bill but it is a masquerade. If we had a real Senate representing the regions that bill would be consigned to the darkest corner of hell where it belongs.

In the last 50 years there has been no greater public outcry than there has been over that specific piece of legislation. We have the spectacle of the governments of four provinces and two territories lining up together with the protesting citizenry, demanding that the particular bill be stopped. Yet, because the Prime Minister has the ability to manipulate the Senate, to stack it, nothing can be done. There will never be a real democratic system in the country that reflects the views of the regions or of individual citizens unless we have the opportunity to elect two Houses, and both Houses should have power.

This legislation will almost certainly be proclaimed into law. The only hope we have now would be to get a Reform government to repeal it.

I must confess that before I came to this place I was a bit of a Senate basher. I felt that the other place had no place. However I have attended some of the committee hearings that it holds and I must say that they compare very favourably with the ones we hold. The problem is that those committees represent an illegitimate body and therefore cannot make recommendations that have weight.

Even if we cannot get triple E, surely we should be electing our senators. I do not know how many people are aware that in the United States of America, which has triple E, there was a period of more than a century when all its senators were appointed. They were appointed by the state governors. The elected Senate in the United States devolved from an act by the Oregon legislature when it demanded that its senators in that one state be elected. It grew from there and eventually they changed the constitution of the country to accommodate the new realities.

Changes can be made. In the long term I agree with my colleague that we must have triple E. In the short term I would plead with the government to get off its high horse and start allowing the provinces to elect senators to be appointed subject to their election.

[*Translation*]

The Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

It being 2.30 p.m. the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2.30 p.m.)

HOUSE OF COMMONS

Monday, October 23, 1995

The House met at 11 a.m.

Prayers

[*English*]

POINTS OF ORDER

BILL C-106

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the *Journals* of Thursday, October 19 show the vote on Bill C-106 was deferred by the chief government whip to today at 5.30 p.m. pursuant to Standing Order 45. However, according to Standing Order 45(6)(a):

> A division deferred on Thursday is not held on Friday, but is instead deferred to the next sitting day, at the ordinary hour of daily adjournment.

The next sitting day is today and the ordinary hour of daily adjournment is 6.30 p.m., not 5.30 p.m.

The chief government whip cannot unilaterally defer a vote from Thursday to Friday to Monday to any other time but the ordinary hour of daily adjournment, to wit 6.30 p.m. He could do it pursuant to Standing Order 45(7) but as as you know, Mr. Speaker, he would need consent from the three whips for that.

He did not ask me so that leaves him with only one option which is unanimous consent. If it was done by unanimous consent the records would indicate that. The records show the vote was deferred pursuant to Standing Order 45.

Mr. Speaker, if you would also check *Hansard* and the video for that day you would find that unanimous consent was not sought. In fact the government whip was not in his seat to be in a position to ask for unanimous consent; he was in front of the Speaker's chair. As you know, Mr. Speaker, it is from there that he asks that votes be deferred according to the authority granted him under the standing order. The standing orders in this case do not give him the authority to defer a vote from Thursday to 5.30 p.m. today.

It may not even be necessary for you to rule, Mr. Speaker. The problem can be solved if the House gives its consent to have the vote at 5.30 p.m., which consent I and the Reform Party are prepared to give.

My concern is not really with the time of the vote. The point is we should be careful about following the rules. Our distinguished table officer, Stanley Knowles, once said that the opposition has only the rules for its protection, hence the authorities on parliamentary procedure emphasize the great importance to the opposition of the only protection it has, the protection of the rules.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member is quite right in his vigilance in seeing that the rules are correctly applied and interpreted. I commend his efforts in this regard.

I note that he is not objecting to the fact that the vote is scheduled for 5.30 p.m. this afternoon. I submit that the decision which the Speaker made at the time of the request last week was correct.

I refer the hon. member to Standing Order 45(5)(a)(ii):

> During the sounding of the bells, either the Chief Government Whip or the Chief Opposition Whip may ask the Speaker to defer the division. The Speaker then defers it to a specific time, which must be no later than the ordinary hour of daily adjournment on the next sitting day that is not a Friday. At that time, the bells sound for not more than fifteen minutes.

When the request was made on Thursday it was deferred in accordance with this standing order to the next sitting day that was not a Friday, which was Monday, at a time not later than the ordinary hour of daily adjournment. In other words, the chief government whip, who I believe made the request last Thursday, made it in accordance with Standing Order 45(5)(a)(ii) in requesting that it be deferred until Monday at 5.30 p.m. I believe he had that right under that standing order.

I know that Standing Order 45(6)(a) deals with Friday divisions. It was intended as a rule to deal with divisions which might otherwise take place on Fridays, in saying that it went to the ordinary hour of daily adjournment on Monday. In respect of Thursday votes, that was intended as an explanation. However, the rule which allows the time to be fixed was set in Standing Order 45(5), not in Standing Order 45(6).

No doubt the hon. member makes a very neat point. However he has missed the other part of the rule, which in my submission applies in this case. That is the rule to allow the chief government whip or the chief opposition whip to set a time earlier than the ordinary hour of daily adjournment on any day when a vote is deferred.

It would be incongruous if the rule relating to Thursday divisions was different from that relating to divisions deferred on any other day. If, for example, a division is demanded today, the chief government whip or the chief opposition whip may defer the division to any time tomorrow not later than the ordinary hour of daily adjournment. It would be incongruous if the rule were interpreted, as the hon. member has suggested, that where a division is demanded on a Thursday it must go to 6.30 p.m. on Monday and not to any intermediate time. It cannot go to Friday. That much the rule is clear on.

I submit that Standing Order 45(5) allows for discretion in asking for a vote any time during the day on Monday, assuming that Monday is the next sitting day, no later than the ordinary hour of daily adjournment. That is the purpose of the rule, in accordance with the interpretation which has been placed on it over many years. The decision which was made last Thursday to defer the vote until 5.30 p.m. today by the Chair on request was absolutely correct.

• (1110)

Mr. Ringma: Mr. Speaker, for today, as I have said, we are quite happy to accept 5.30 p.m. as the time for the vote. I submit it is your prerogative to examine the case put forward today versus that of the government benches to see what the technicality is.

The Speaker: I thank both members for their intervention on this matter. I have re-read the rules. What I would like to do at this point with your consent is have a brief look at the tapes and to revisit *Hansard*. I will rule formally later this day.

PRIVATE MEMBERS' BUSINESS

[*English*]

REGIONAL RATES OF PAY

Mr. Ron MacDonald (Dartmouth, Lib.) moved:

That, in the opinion of this House, the government should consider abolishing the Regional Rates of Pay, now in force for certain federal government employees, in accordance with its stated policy of pay equity.

He said: Mr. Speaker, it is a good way to start off on a Monday morning, dealing with an issue that is not just temporal or philosophical. This is an issue that fundamentally affects far too many public servants right across our country.

I do not know if it is luck or what it is, but this is the third time in two Parliaments I have been lucky enough to have my motion drawn for debate. The first time was in the second session of the last Parliament, in June 1990 and again in the third session in September 1991 a similar motion was also drawn for debate.

It is an issue that is near and dear to my heart. It is an issue that has affected, over the years, tens of thousands of federal employees. And it is an issue, once again, that I believe should be brought to the attention of the people who are elected to represent these public servants. As members of Parliament we are supposed to be affirming in the House the equality of employees, the equality of individuals, the equality of opportunity and the equity of people's labour.

I will talk a little about the regional rates of pay so that people understand exactly what they are. In years gone by, the federal government through the collective bargaining process, came to an agreement with its federal public employee unions that there should be regional rates of pay.

This was done at a point in time when the economies were much different than they are today. It was done at a time when one could argue that there were vast differences in economic conditions in various parts of the country, say in Winnipeg, in Halifax, in Sydney and St. John's, Newfoundland.

As total or global packages were negotiated it was agreed that there should be regional rates of pay. It meant that employees of the federal government who did a similar or identical job would get paid at a different rate based on where they lived.

As time went on, initially the rates grew in numbers. With the development of our economy, with the genesis of the economy and the consolidation of transportation infrastructure across the country, it became increasingly apparent that to continue a discriminatory wage practice based solely on a single factor of the employee living in a certain area was clearly discriminatory.

Over the last 15 years through successive collective agreements each and every time there has been the global negotiation, the number of regional rates has collapsed.

They have gone from a high of 35 or 40 down to today where only 8 or 9 regional rates of pay are left. That is solid recognition that individuals' pay should be based on their qualifications and the job they do and not on where they live. Their fundamental wage package should not be based on where they live any more than it should be based on their language, colour, gender or culture. It is discriminatory. Today it still stands as a discriminatory practice. What does this mean? It means quite a bit to the people who are affected by these discriminatory wage rates.

• (1115)

During the 1988 federal campaign one of the big issues in the Halifax—Dartmouth area was dealing with the general trades and labour group at the ship repair unit in Halifax. Its members were in a legal strike position. Treasury Board and the Tory government of the day in their haste to go to the electorate forgot to designate them as essential employees. Therefore for the first time ever the potential was that those employees might be in a strike position.

One major stumbling block for those unionized workers in the negotiations going into the campaign was the regional rate of pay. They were doing the same job at the ship repair unit in Halifax as was being done in British Columbia. They had the same job classifications, the same jobs and were working on the same classes of ships, but in some cases the wage differential was as high as 28 per cent.

The regional rate of pay was made an issue in the campaign, that it was a discriminatory practice. They were not seeking a commitment from the government of the day to collapse it all at once. They wanted a commitment that it would be recognized over the next one or two collective agreements that the rate should be collapsed.

In 1989 a ships crews strike tied up the St. Lawrence Seaway. The government was not concerned until there was a freeze–up and the possibility that commerce going up the St. Lawrence Seaway would stop. At that time the ships crews strike caused legislation to come before this place to break the strike and put them back to work.

What was the issue that caused that ships crews strike? It was the wage differential between the two regional rates. There was a west coast rate and an east coast rate and the dividing line went right down the middle from the Arctic Ocean. Conceivably, if a ship was in trouble in the Arctic it could be responded to by ships crews from either the east coast or the west coast. If they both got to the troubled ship at the same time, there was as much as a 20 per cent or 25 per cent wage differential. They were doing the same jobs on the same ships on the same high seas, sometimes in 15–metre swells. They were going out to save lives and there were two different wage rates which were based on where they lived.

How much money did they get? This whole strike was caused because the ships crews from the east coast region were making between $19,000 and $21,000 a year. They wanted their pay package to go up to what it was on the west coast, about $22,000 to $23,000 a year. That was what caused the strike.

When it went to binding arbitration after the legislation passed the House, the first thing that happened with the tripartite panel was that it collapsed the regional rate of pay. It saw it as discriminatory. The panel then went on to other non–monetary issues. The history with the last three or four cases that went to binding arbitration where the regional rate was an issue is that it was immediately seen as discriminatory and was collapsed.

The east coast ships crews after they saw what happened at the tribunals told me: "The next time we are not going to bargain in good faith. We will just tie it up and hope it goes to binding arbitration because the binding arbitration process will find the rates discriminatory and will collapse them".

There is a principle here which we should listen to carefully. It is the principle of equal pay for work of equal value. That is it, straight, clean and simple. Some will argue that if you live in Halifax you should get paid less than if you live in Winnipeg. If that is the case, why are 91 per cent of federal employees in Canada paid under national rates of pay? That means that while the ships crews or the ship repair unit charge hand in Halifax get paid up to 28 per cent less than their west coast counterparts, other employees of the federal government are working in the same area and are getting identical rates of pay as their counterparts who are doing identical jobs in Toronto, Sudbury, North Bay, Victoria, Vancouver and St. John's.

• (1120)

It does not make sense. It cannot be argued that a regional rate of pay has to be maintained so that it does not disrupt the local private labour market when at the same time 91 per cent of the employees are on national rates of pay. It simply does not make sense and is discriminatory.

The government of the day of which I am a member will say that we are in a period of restraint. I understand that. Collective bargaining was suspended in the 1994 budget. That was not something I supported then and it is not something I support today. It is wrong. I support the collective bargaining process. I said it when that legislation came forward in the House and I will say it again today.

The government indicated that once it got beyond its $900 million or $1 billion in savings which it was trying to accommodate by the wage freeze and the suspension of collective bargaining, any further savings would be reallocated back into the pay packet. It would perhaps talk about the increments but certainly it would look at some of the pay equity issues.

I implore the government today to see this not as one of those issues that affects just a few people. This is an issue of pay equity. Just as the government has committed itself at the earliest opportunity to address those inequities in pay equity as it is traditionally defined, I ask the government today to also extend that definition to regional rates of pay.

What does it mean? The best numbers I have are from September 1994 and they have changed. In September 1994 there were 211,823 employees on the federal public service payroll. There were nine groups that were still under regional rates of pay which amounted to 23,233 people. That means 9 per cent of the Public Service of Canada is being discriminated against based on no other factor than where they live.

Should we tell the charge hand down in Halifax who is being paid 13.7 per cent less than the west coast charge hand that he should work only 86.3 per cent as hard as the individual on the west coast? Should the general trades and labour individual who is paid 13.2 per cent less work 13.2 per cent less hard? No. The performance evaluations they face are exactly the same no

matter where they live. I submit that their pay rate should also reflect that similarity.

How much would it cost? To completely eliminate regional rates of pay in one round of negotiations would cost the government less than 1 per cent of its total pay envelope. It would cost less than 1 per cent to stop discriminating against 9 per cent of its federal employees.

As the government moves toward a time when it can reinstate collective bargaining, when it can start treating public servants with the type of respect they deserve, one of the number one priorities is pay equity. One of the number one priorities within pay equity is addressing the discriminatory practices of regional rates of pay.

Looking around the Chamber there are members from all over the country. There are members from the west coast, from the great province of Quebec, from New Brunswick, from Saskatchewan, from Ontario. There are members from every province and territory in this place. All of us are paid the same based on the job we do for the people of Canada, not based on the place we represent.

I close by urging members of the House to agree with the motion before us. Tell the government it is imperative that the horrendous discriminatory practice of regional rates of pay must go and must go quickly.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I listened with interest to the member for Dartmouth's comments. While I understand his motives I certainly disagree with some of the arguments he raised.

In looking at the different regions in Canada, very quickly it is found that there are substantial differences in the cost of living for people in various regions. For example, in Vancouver the cost to acquire and maintain a house is much higher than in rural British Columbia or rural Saskatchewan. Looking at the cost of living from region to region, some people may do very well on $35,000 or $40,000 a year. However, other people are just skimping by on that kind of wage simply because so much of their earnings are going into their cost of living, particularly their housing.

• (1125)

One size fits all does not and cannot work for a country the size of Canada. This is a huge nation geographically with hundreds of thousands of square miles of land. There are different realities in all parts of Canada. We cannot impose a one size fits all standard on a nation this size. That is why the collective bargaining process has recognized this disparity in the cost of living and why we have the differences in pay rates. I would argue it is not a discriminatory practice, but rather a recognition of the reality of the cost of living in Canada by region.

If we are to impose this kind of a one size fits all standard and do away with regional differences in pay, the people who are currently paid less to reflect the reality of their lower cost of living are going to benefit greatly. However, the people who are to be the losers are the ones at the top end of the scale right now who require their income to maintain their households and their cost of living.

The member and the government have said that they want to run the government like a business. We agree with that. We think governments should be run like a business. I come from a business background and I know what it is like. In the construction company I formerly owned, people were working in different parts of British Columbia. The pay scales differed to reflect the reality of where they worked. For example, people were working in camps far away from home in areas that were remote and expensive to live in. Their pay scale was altogether different from that of people who could get up in the morning in the community they resided in and go to work.

If we are to run government like a business we have to understand that the method of dealing with employees has to be reflective of that. We cannot adopt a one size fits all standard if we are to run government like a business. We have to look at it from the point of view of what makes sense.

The other major concern I have with this motion is that it could be perceived by some as the thin edge of the wedge. Is this the beginning of an imposed minimum wage right across the nation? Will we have a minimum wage level established based on the most prosperous regions where the cost of living is highest and then have that imposed on the entire nation? There is real concern that may be the direction we will be going in if we adopt this kind of philosophy and attitude.

With the greatest of respect to the member, I think I understand his motivation, but I certainly disagree with his arguments. For that reason we on this side of the House, certainly myself, will not be supporting this motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, because of the strong interest from government members in supporting this motion and in supporting our colleague from Dartmouth who has been working on this motion for many years, the Parliamentary Secretary to the Minister of Labour and I will be splitting our time. We will each have five minutes.

I congratulate my colleague for once again bringing this motion to the floor of the House of Commons. Whenever there is a motion in the House which deals with national standards, I always try to stand and speak in favour of the motion.

• (1130)

I am a passionate believer that Canada needs more, not less, regulation, programs and activities wherein the national standards of the country will be promoted and upheld. I happen to believe national standards represent the galvanizing feature or the glue that holds the country together.

Mr. Scott (Skeena): More regulation, more government.

Mr. Mills (Broadview—Greenwood): With respect to the member for Skeena, I did not say more regulation. I said regulations that have national standards.

I come from industry as well and I have always favoured less red tape, much more efficiency in government and less duplication. However I believe the national government has a role to play in the country. I for one am totally frustrated. I do not feel comfortable with the offloading and dismantling program we are going through.

The member has put forward a very good bill. Its impact on the treasury of Canada will be minimal versus the positive output from it.

I say to the member for Skeena that I do not ever remember any member of Parliament on the government side saying that government should be run like a business. Government cannot be run like a business. If we are talking about efficiencies, absolutely, but I come from business and the difference between government and business is that business is only interested in earnings per share per quarter. It is only interested in profit. That is not the government's bottom line. Our bottom line, rather than the business bottom line, is people. We are interested in people. Business is only interested in profit as a bottom line. That is a big difference.

It is nothing personal with the member for Skeena. It is an ideological view I have. Governments, and I cite my own province right now, are becoming so lean in their attitude that the people factor is really being hurt. We are here as members of Parliament not to look out for the advantaged. We are here to look out for the disadvantaged. I get a sense that governments are becoming so businesslike that we are almost becoming mean as governments.

Mr. Harper (Simcoe Centre): No.

Mr. Mills (Broadview—Greenwood): The member whom I have immense respect for from Orillia says no. I am concerned about this matter. We should be skating with our heads up.

I am happy to stand in the House to support the bill. I campaigned in my first election in Broadview—Greenwood for a strong national government. I believe the best way to help disadvantaged regions and people who are disadvantaged is to make sure the national government is strong enough to ensure that those regions receive the same treatment as downtown Toronto, whether it be in education, hospital care, service to the public or whatever.

I am happy to continue that thought process here. I salute my colleague from Dartmouth for making sure the government holds true to its red book commitment to be the government that rebuilds national standards in the country. What better area than to start with the Public Service of Canada which used to be recognized as the best public service in the world. The way we have been battering it around lately, it needs confidence and support to once again become the greatest public service in the world.

I salute my colleague from Dartmouth for putting us back on the right path.

• (1135)

[*Translation*]

The Deputy Speaker: The hon. member for Joliette, on a point of order.

Mr. Laurin: Mr. Speaker, I do not know how much time is left. Normally speeches are 10 minutes long. When they are 20 minutes long, there are 10 minutes for questions and comments. And I think the 10 minutes must be nearly up. It would be difficult to allow an extra 5 minutes, as the member across the way announced earlier.

I think that when 10 minutes are used up, by one party or the other, it is a total of 10 minutes.

[*English*]

The Deputy Speaker: On the question about dividing the 10–minute time period in private members' hour into two 5–minute blocks, Standing Order 43 refers to government business and giving notice to the Chair through the whip and so on.

Given that we have only six people who wish to speak it would be better if the hon. parliamentary secretary would finish his 10 minutes. Then we will move across the floor and back to his colleague.

[*Translation*]

Mr. Laurin: Point of order, Mr. Speaker.

The Deputy Speaker: The hon. member for Joliette, again on a point of order.

Mr. Laurin: Mr. Speaker, I beg your pardon, but you have just told the parliamentary secretary that he might finish his 10 minutes. He is not entitled to 10 minutes, because the Reform Party has already used up a certain number of minutes. All that he can use is what remains after the remarks by the Reform Party member.

Otherwise, provided a member announced his intentions in advance, he could book in advance all of the time reserved for a party by indicating that the 10 minute period would be shared with a colleague, if he were the first speaker.

I believe that you should acknowledge everyone in turn, without going beyond 10 minutes.

The Deputy Speaker: The parliamentary secretary has 3 or 4 minutes more, if he wishes to use them.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, today being Monday we are heading into the final week of the referendum. It is nice to hear a positive spirit coming from the Bloc. Hopefully it is a sign as we go through the final moments that Bloc Quebecois members and some of their constituents are starting to realize that being a part of this great Chamber, being a part of Canada, is a much more exciting challenge and a much more worthwhile one than separating and going on their own.

Once again, my commitment is to national standards, which is essentially what the bill is all about. We are reinventing ourselves as a government and a country. We have to look at every opportunity presented to us to keep the country working. Often it is public service motivated because the Public Service of Canada touches every aspect of the economic life of the country. A vibrant, forward looking, well motivated public service plays an essential role in ensuring the economy and the policies related to the economy of the country are the right ones.

The bill respects the contribution the Public Service of Canada makes, so let us all get behind it.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, let me begin by thanking the hon. member opposite for acknowledging my positive spirit. He is extremely perspicacious, and I would remind him that yes is the response associated with positivism.

I have listened with a great deal of attention and interest to what my colleague from Dartmouth has had to say. Let me congratulate him as well on his sincere concern with this problem. I feel that efforts must be made to ensure wage equity in all areas. It is a desirable thing for there to be wage equity, no discrimination according to gender, skin colour, race, religion, or geographical location.

• (1140)

Because, regardless of where a job is done, I am thinking for instance of a plumber who fixes a sink, whether in Trois-Rivières or James Bay, obviously it is the same job. Where this causes certain problems, and I think that certain differentiations need to be made, the issue cannot be decided as simply as that. Serious problems crop up in trying to attain this principle of equality.

Of course, one could say: equal pay for equal work. But there are often differing incidental expenses in performing that work which need to be taken into consideration.

The hon. member himself just now said that all members of this House are paid the same because that is normal, we all do the same work. I am sure that a member from British Columbia is just as good at his job as a member from Quebec, and vice versa. Except that the member from British Columbia who comes to do his job here in the House is given points for travel time, just as I, as a Quebec member, am given points when I come to do my job in the House, but the value of these points is not the same.

We have the same salary, but when the member leaves Vancouver to do his job here in the House, his plane ticket costs a lot more than the mileage I would be allowed to come and do my job in the House. If the member had to pay this out of his own salary, he would be at a disadvantage. Today, he has the same salary, because someone else pays for incidentals and costs directly related to his job in Ottawa.

The same applies to a plumber. Suppose a company is doing work at James Bay. If the company wants to attract qualified employees to James Bay to do certain jobs, such as electricians or plumbers, the individual who agrees to go to work in a remote area where his expenses will be higher will insist that by the end of the week he should have about the same net salary as his counterpart in Montreal. The hon. member did not mention this in his speech.

I refer to remote areas, but we could also talk about isolated areas. When someone is asked to go to work in a location that is not easily reached except by plane, for instance, this individual will spend more to get to his job, in addition to suffering the inconvenience of isolation.

Working in an isolated area is worse than working in a remote area, and there should be some compensation. If the hon. member means equal pay for equal work, fine, but members will have to suggest ways to compensate for additional expenses. Perhaps we could call it a remote area or isolated area allowance, or even an occupational hazard allowance, depending on the area.

Take a firefighter, for instance. Someone who works as a firefighter in a small community of 15,000, 17,000 or 20,000 does not run the same risks on the job as a firefighter who works in a big city like Montreal or Toronto. The risks are not the same. The buildings are higher, and exposure to chemical products may be more frequent. The working conditions are quite different.

If these differences are not reflected in the salary, it will be necessary to find a way to acknowledge them by providing an allowance. If an allowance is used, we still have the same

problem, which is how to determine the amount of the allowance.

The union has argued that it is not easy to judge to what extent one job location warrants a higher salary than another location, because the work is the same. If there is a problem with salaries, determining the allowance will also be a problem.

The hon. member for Dartmouth has remained silent about these issues. I am aware of union demands that everyone should be equal, but when they talk about making everyone equal, they mean raising the lowest salaries to the highest level in a given occupation. So that the hourly rate proposed for a plumber living in a small village of three or four thousand inhabitants where the cost of living is not particularly high is the same as a plumber working on a construction site in Montreal.

• (1145)

Obviously, no plumber is going to turn his nose up at a salary increase in such a region, without its being either remote or isolated. But these have to be taken into account.

Getting back to the remote regions, a person has to pay more to get to work and, then, on top of that he has to pay more for everything he buys in order to live in this remote place, all of which comes out of his salary. A pound of butter in James Bay does not cost the same as in Montreal, because it has to be transported by air.

So, if I pay employees the same salary for their work, the one living in James Bay will not have enough salary to live on there. It does not cost the same to build a house in James Bay or to live there or in Manicouagan as it does in Montreal or Toronto. I am in favour of equalizing by taking the best salary being paid in each place in society, but we do not want to end up with other inequities that would be just as unfair.

We have to be careful in this matter before we legislate, because we also have to allow the business, the employer, to find labour, which at times can be hard to find. I myself was in education. I was an administrator in education. Most teachers from Montreal or from my riding of Joliette, a beautiful riding in the province, asked to go to teach in Port Cartier, a very remote region, would not voluntarily go and work there for equal salary. As the region of Port Cartier would not have been sufficiently self sufficient to develop its own teachers, it would have had to go without competent people to teach there.

The same thing would have happened in James Bay, Manicouagan and in other areas in other provinces. I am thinking of remote areas, in the woods, for example, areas hard to reach. Sometimes competent workers would not be hired, in order to be able to provide everyone with the public services to which they are entitled. This has been discussed with respect to certain trades but health care could have been chosen just as easily as my example of education.

When people are entitled to equal services, their wages must enable them to pay for these equal services to which they are entitled, in all fairness and independent again of their gender, age, skin colour, religion and so on. These are the sorts of things I would like to see addressed by the hon. member for Dartmouth, who seems to have a well intentioned bill here, but one that does not seem to be detailed enough to ensure it would improve the situation instead of creating other areas of inconsistency or other labour relations problems.

I would also like to see these matters discussed between employers and employees, and I think that good personnel administration means that, when disputes of this type crop up, they are discussed together, negotiated, in preference—by far—to letting the courts decide, as has been said.

I am totally in agreement with the unions on this approach when there is a problem, instead of letting grievances develop and going before the courts to have the issue decided, which takes time and runs into thousands of dollars in costs as well. What is preferable is to allow employers and employees to discuss the true nature of the problem and to look together at where solutions lie.

This motion will not be voted upon at this time, but it does show good intentions, and I hope the government will show an interest in it. I hope also, however, that the motion will be able to be translated into a bill which will do more justice to workers, to employers as well, and to the regions. Care must be taken to ensure that the regions do not end up in a situation where they will be unable to have the services necessary for a quality of life and an environment to which they are as entitled as everyone else.

I hope therefore that the hon. member for Dartmouth will seek the assistance of his colleagues in addition to his own opinions on this, and I am anxious to hear their input.

• (1150)

[*English*]

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, it is a pleasure for me to support the motion put forward by my colleague from Dartmouth this morning. As we approach the second anniversary of the election that brought us here, I have come to appreciate the many opportunities available to members in terms of how items are put on the agenda and I realize just how talented the member for Dartmouth is in bringing these items to the attention of the nation. I bring to the attention of the House the credit he deserves on not only this one but on other issues.

Before speaking to what I believe to be the merits of the motion I will address some of the concerns that were raised by colleagues who spoke previously.

In response to the Reform member for Skeena, I think the first argument he made against the motion was on the grounds that we really had to recognize the differences in the cost of living in various places in Canada in terms of remuneration public servants receive. I challenge that on a couple of grounds. The country, the courts, and public sympathy are headed in the other direction. So even in the context of being responsive to the will of the nation, we are heading in another direction.

More appropriate to the political affiliation of the member who made the suggestion, I wonder about the cost of bureaucracy in trying to determine pay packages on the basis of regional costs of living. I believe there would have to be a new department of the cost of living. I cannot see that being consistent with decreasing the cost of governance in Canada. Quite the contrary. That would be a pretty expensive proposition and one I think the member should reconsider in the face of his own party's positions on those issues.

The second issue raised by the member for Skeena and repeated by the member for Joliette had to do with isolation pay and the need to recognize cost of living. I had the good fortune of visiting Iqaluit last fall with the social security review group, and I was shocked at the price of a banana in that community. I reassure both the member for Joliette and the member for Skeena that isolation pay and bonuses related to isolation would not be affected by the intentions of this motion. This would all be a part of job classifications and pay related to job classification and not related to isolation. Hopefully some of their concerns would be reassured by that.

The member for Skeena mentioned that he was fearful that this was the thin edge of the wedge. I agree with the member, but I think we are heading in the other direction. I would turn that metaphor on its head and say quite appropriately that we are heading to the narrow point of the triangle, not to the wide edge of the triangle, and it is just a matter of time.

It should not be surprising that I have fewer exceptions to take with the member for Broadview—Greenwood in terms of his comments, other than whether or not the nation requires national standards, the nation requires national values. Questions of fairness in remuneration speak to the need for a national value in Canada. That value is fairness, which the government has to acknowledge and respect. I say that because this discussion follows the recent debate on Bill C–64 on pay equity. It strikes me that the values behind this motion and that bill are the same. How can the government that supports the notion of pay equity based on questions of gender or minorities continue to support the notion of regional disparities in terms of how much public servants are paid depending on geography?

• (1155)

The other important consideration is the inevitability of this happening anyway. I suppose this would appeal to members represented by the member for Skeena and the Reform Party in terms of the savings involved in doing this as an act of will rather than being forced to do it through the courts with all the costs associated to have these decisions forced upon us through the legal system. It is very important for us to recognize the need to do what ultimately will happen anyway without having to be told to do it.

By way of history, the previous government reacted to the strike in 1989 in Halifax and Dartmouth by enacting back to work legislation contained in Bill C–49. At that time as part of that back to work legislation a conciliation board was established that concluded that regional rate policies would not be maintained much longer. That conciliation board labelled the policy discriminatory and ordered a new collective agreement to bring east coast and west coast workers into parity.

We have already been told by a process the previous government put in place to deal with this inequity. It is long overdue that we do that. It is an important opportunity for this government to meet the commitments that were made to act in a fashion that is consistent with what we said in opposition. At that time many members said these were discriminatory practices.

As I said before, this government is promoting equity in terms of pay regardless of gender and ethnic background. It would only be fair to eliminate discrimination based on geography as well.

I will speak for a moment on the question of where this regional pay package idea came from. I do not know for certain but I assume there are a couple of historical factors that come into play here. My sense is that at the time these pay regimes were affected jobs were probably less well defined. Consequently what one did in terms of a job classification in one part of Canada was probably quite different from what one did as a part of a job classification in another part of Canada.

In the course of collective bargaining over the years job descriptions and categories have become much tighter. The level of degree that was contained in the practice and exercise of some of these jobs has probably diminished significantly. The argument that might have been in place at one time no longer exists. I also think that at the time these regional pay packages were put in place there was a lot less mobility of labour. We are obviously moving across the country today with a good deal more frequency and efficiency than we did some time ago.

The most important reason to support the motion by the member for Dartmouth is it reflects Canadian values. Many Canadians have lost their faith in this fine institution and in governance in general because they see things that they think should be fixed and which do not get fixed as quickly or as efficiently as they perhaps should. This is one of those things.

People look at this and say if you are doing the same job it seems only fair that you should be paid the same, wherever you do it in Canada. We have to respond to those common sense arguments to win back the trust and confidence of those Canadians who watch every day as we make decisions.

There was a point made that perhaps in the low wage areas a higher pay scale that would reflect the national number would have the effect of making it difficult for the local communities to compete with the public service in terms of pay packages. If 100 per cent of the employees of the public service were affected then an argument might be made for that, although I would not accept it. However, given the fact that it is only 9 per cent of the public service left, it does not strike me that they should be the people who bear the brunt of that argument.

• (1200)

I encourage my colleagues to support the motion put forward by the hon. member for Dartmouth. It is important to recognize that federal government employees are competent, efficient, hard working and deserving of the same compensation regardless of where they live.

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, I am pleased to rise in support of the motion put forward by the hon. member for Dartmouth that in the opinion of the House the government should consider abolishing regional rates of pay. It is an important issue for the hon. member and I am glad to see it being debated in the Chamber.

As hon. members may or may not be aware, regional rates of pay have been in place in the public service since the 1950s. Under this system federal public servants performing the same jobs, with the same qualifications and the same experience, are paid different wages depending on where they live. This is clearly discriminatory.

The federal government is committed to pay equity which quite simply means equal pay for work of equal value. We rightly condemn wage discrimination based on gender, race or religion. I believe discrimination based on geography is also wrong.

In the public service we have people who are working for the same employer. Yet as of September 1994 over 23,000 federal employees were being paid lower wages than others doing the same work. In some cases the discrepancy is 25 per cent. There are two people doing the same job, with the same qualifications and seniority, but one earns 25 per cent less simply because of where he or she lives.

I will give the House an example of how different that is in the public sector from what it would be in the private sector. I come from a railway background. In the railway industry there are unions. Some are conductors, some are engineers and some are in maintenance. We negotiate a collective agreement on a year to year basis. No matter where a conductor, an engineer or a maintenance person working for CP Rail lives, they get the same pay based on a collective agreement. Quite frankly that is the way collective agreements have always been negotiated.

I do not think it takes a leap of logic or great faith to understand that we cannot go on doing this in the public sector. Over the years the number of classifications affected by regional rates of pay have been dropping steadily. We have been moving however slowly in the right direction. Now the question is when we will take the final steps to rectify a situation that should have been rectified many years ago.

Some members will be concerned about the cost of ending regional rates of pay. I agree that this is an important consideration. Treasury Board estimates the cost of removing regional rates at around $87 million per year. This would represent a 1 per cent increase in our total outlay for public service wages. While it may be difficult to argue for such an increase while we are cutting back in everything, at some point it will not be a discretionary expenditure.

Members of the Chamber often wonder why there are regional rates of pay. The reason for them is that the argument can be made that people should be paid less based on where they live instead of being paid the same amount. Everyone seems to think we are asking for people to be paid less when we are asking for people to be paid a reasonable rate of pay at the same level as someone else living in Montreal, Toronto, Sioux Lookout or Dartmouth.

I was in the House with the hon. member for Dartmouth when east coast ships crews went on strike in 1989 over discriminatory rates of pay. I recall the hon. member seizing the issue and holding the government of the day accountable. I remember Bill C–49, the back to work legislation, that was brought forward in this case. It established a conciliation board under the Public Service Staff Relations Act.

If members look at the report issued by the board they will see that it is quite enlightening. It clearly states that regional rates of pay are discriminatory. It orders the government to eliminate regional rates of pay in that classification.

We face another such situation. Logic and precedence state that the government will be forced to act. We will be forced to do the right thing. What would it say about this institution if we waited for another conciliation board report to tell us to act when we already know we have to act.

• (1205)

The member has put the issue before the House in very succinct terms. Either we do it as a collective in the House of Commons because it is the right thing to do, or we will have an outside body do it for us because it is discriminatory.

As I mentioned before, in the private sector everybody in large unions gets the same rate of pay. In the House of Commons it could be argued that there is a bit of difference depending on where people live and their costs of living. The argument in northern Ontario is that the cost of food is higher and the cost of gas is higher. The cost of housing is much lower in Kenora—Rainy River than it is in Halifax, than it is in Toronto, than it is in Vancouver. It balances itself out in most cases.

The motion put by the member is a very good one and should be supported by the government and all members opposite to give people work and pay based on their abilities, their seniority and their classifications, not on where they live.

[*Translation*]

The Deputy Speaker: The time set for this debate expires at 12.10 p.m. Shall we call it 12.10 at this time?

Some hon. members: Agreed.

The Deputy Speaker: The time allocated for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

BRITISH COLUMBIA TREATY COMMISSION ACT

The House resumed from October 20 consideration of the motion that Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission, be read the second time and referred to a committee.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I rise in the debate on Bill C–107 to raise a couple of objections with regard to the way the bill has been presented to the House.

What we have here is enabling legislation that sets up the British Columbia Treaty Commission. At this point as we are debating this position in the House we have a British Columbia Treaty Commission. On the commission are certain representatives of the federal government who are making statements on behalf of the federal government. Yet there is no legal authority for them to do so.

My purpose this morning is not to debate the particular details of the bill but to draw to the attention of the people of Canada—and those listening to us this morning will recognize it—that the bill is based on a recommendation of the Governor General of Canada who recommends to the House of Commons the appropriation of public revenue under the circumstances and the manner and for the purposes set out in a measure entitled an act respecting the establishment of the British Columbia Treaty Commission. Then the summary of the bill reads:

> This enactment, together with an act of the Legislature of British Columbia and a resolution of the First Nations Summit, establishes the British Columbia Treaty Commission. That commission will facilitate in British Columbia the negotiation of treaties among first nations, Canada and British Columbia.

That is a major undertaking, a very serious and a very necessary issue that needs to be dealt with. I make it abundantly clear to everyone in the House this morning that my purpose in rising to speak against the bill is not the business of negotiating land claims and treaty settlements in British Columbia. That is not my purpose.

My purpose in rising concerns the issue of people going around the country without the legitimate authority of an act passed by Parliament. We should have settled the treaty business a long time ago.

Now the British Columbia legislature has passed legislation. The summit comprised of bands and various tribes among the aboriginal peoples has established a resolution that appoints certain people legitimately. However the House has gone beyond letting people go out there and do something without the legislative authority to do so.

This process disenfranchises the representatives of the House, of the people of Canada. It is wrong in principle and I object to it. I am not alone in that objection. Sitting on either side of me this morning are representatives of the constituency to the south, Okanagan—Similkameen—Merritt, and the constituency to the north, Okanagan—Shuswap. They too find it objectionable that the House should engage in the process of doing business in this manner.

The purpose of the act so clearly stated is to establish the British Columbia Treaty Commission as undertaken in the agreement. The agreement refers to the agreement reached by the summit, the province of British Columbia and Canada.

What does it do in terms of establishing the commission? Established by the joint operation of this act, an act of the legislature of British Columbia and a resolution of the summit, is the British Columbia Treaty Commission consisting of a chief commissioner and not more than four other commissioners.

There was nothing until now. Yet they are travelling around the province of British Columbia setting up meetings. There was a meeting in my constituency last week. They are acting as if they were representing and negotiating on behalf of the Government of Canada. According to this act they could not commit the government to anything.

An hon. member: Were there discussions?

Mr. Schmidt: Indeed there were discussions. Of course there are discussions and negotiations. What else would we expect? We need discussions to negotiate. What kind of comment was that? Is that the way the government runs things, with arrogance and presumption? That is not right.

An hon. member: Yes.

Mr. Schmidt: Yes, arrogance and presumption is exactly what it is up to.

I want to look at the purposes and powers of the commission in rather significant detail. The purpose of the commission is to facilitate in British Columbia the negotiation of treaties among one or more First Nations, Her Majesty in right of Canada and Her Majesty in right of British Columbia. The Westbank Indian band is already in step three of the process, yet the legislation has not yet been passed in the House.

Mr. Mills (Broadview—Greenwood): We are trying to be efficient.

Mr. Schmidt: Mr. Speaker, the hon. member suggests this is efficiency. Is it efficient to do things with two people who have elected representatives to represent them and make the legislative proposals that ought to exist there? If that is the argument, what is the point of electing people? What is the point of having a Parliament? What is the point of having laws if one person can decide what happens and the person happens to be the person who runs the privy council?

Apparently the commissioners are running around the province representing Canada as a result of an order in council passed by the federal cabinet. That is how they run the country. It is not a democratic process and I object very strenuously to it.

It goes beyond that. I want to go into the details and responsibilities of the commission. What is it supposed to do? It is supposed to do at least four things that I will draw to the attention of the House. It is to assess readiness in accordance with the agreement of Her Majesty in right of Canada and in right of British Columbia and one or more First Nations to begin negotiations. The commission is to assess whether or not a particular band or tribe is ready to start negotiations. That is its responsibility and it is a major responsibility. We should all have had input into that debate before the commission members went around talking to various people.

It is to allocate funds. This is the authority that gives to the treasury the right to allocate funds. However, what has happened? It says to allocate funds that have been provided. By whom? By the finance minister to enable First Nations to participate in negotiations in accordance with the criteria agreed to by the principals. Is this not an interesting provision?

We now have these people spending money, travelling around the country, being paid and incurring expenses on behalf of the Government of Canada. They are to divide moneys among the persons who are to participate in the negotiations. In accordance with what? In accordance with criteria agreed to by the principals, which are the summit, the legislature of British Columbia and Canada.

• (1215)

Finally, they are to encourage timely negotiations. Are we to suggest then that this commission is not to do the negotiations? We are getting into the details of the bill, which I said I would not do and I will not.

I will simply say that I object strenuously to this method of retroactivity, this business of presenting to the House legislation after the fact. We have asked this of the people who have briefed us on this. We have asked them if this is really retroactive legislation and if they have already begun the process. The answer was yes. I object strenuously. I hope every member will make every effort to make sure this never happens again in the House.

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Mr. Speaker, it is a pleasure today to rise to speak on behalf of legislation that will have such great economic benefits for the people of British Columbia. With this legislation we can remove an obstacle that has hampered economic growth in B.C. for too long, uncertainty over ownership of land and resources. That uncertainty has carried a very high price.

In 1990 a Price Waterhouse study asked forestry and mining interests in B.C. about the effects of the uncertainty created by unresolved land claims. The results are sobering: $1 billion in investments were not made in those two sectors alone; 300 new jobs were not created; 1,500 permanent jobs were adversely affected; $125 million annually in capital investment is lost because of the lack of legal certainty with regard to land and resources. Since the time of that study the price has continued to be paid, year in and year out.

That is the toll we pay for leaving things unclear, uncertain, undefined. That is the price for refusing to sit down with our aboriginal partners and discuss rational solutions to real problems. That is the price opponents to this process will have us continue to pay. Here we have a chance to do something concrete, to create jobs and real economic growth for Canadians.

In September Ms. Marlie Beets of the B.C. Council of Forest Industries was quoted as saying her members know they cannot afford to ignore treaty issues. There is solid support in the forestry industry to resolve this, even though the industry has concerns about what treaties might contain.

People in the forestry industry of B.C. understand what is involved. They know they cannot function efficiently without clear policies. They know aboriginal rights must be defined clearly so that everyone knows the rules of the game. They know their time has come to realize the potential of their province and to expand opportunities for the people. They want to get on with it. The proposition is simple: treaties will provide certainty and

create a better climate for investment and economic growth. This is a reality that cannot be denied.

Treaties will provide a land base for aboriginal people and with it a foundation upon which to build self–sufficient communities. This will allow aboriginal people to become involved in a range of economic activities that in the absence of a land base have been foreclosed to them. Commercial activities like mining, forestry, and tourism become far more possible to be pursued by First Nations. And the growth of strong, self–reliant, economically vibrant aboriginal communities strengthens us all, because it will bring positive economic spillover into non–aboriginal communities.

• (1220)

For too long the aboriginal people of B.C. have been denied both their legal rights from the past and their hopes for the future. For too long they have suffered high rates of unemployment, low rates of literacy, and high rates of infant mortality and suicide. For too long we have denied ourselves the contribution they can make.

This situation cannot be defended and it must not continue. With rights and obligations clearly defined by treaties, all British Columbians, aboriginals and non–aboriginals, will be able to get on with realizing the potential of the province and expanding their opportunities for advancement.

This will be good news for the forest workers and the miners. It will mean an expanded tax base as the infusion of settlement funds stimulates economic activity and creates jobs. It will also mean lower social costs associated with the poverty and unemployment in aboriginal communities. It will mean the end of conflict and costly litigation and the beginning of co–operation and negotiation.

These historic issues will not go away. They cannot be wished away. As long as the issues remain unresolved, investment will stay away and the jobs that must be created will go elsewhere. The spiral will continue: uncertainty creating fewer opportunities and fewer opportunities creating more social problems. The cycle of poverty and dependence will continue.

These issues must be dealt with. We have a choice as to how we are going to do that. We can litigate at great expense to the Canadian taxpayer, knowing that at the end of this long, drawn out and often bitter process a court is likely to tell us to work out the details ourselves—something very similar to the negotiation process we have now—or we can negotiate directly from the outset.

Surely it makes good economic sense to avoid costly court battles, which cast each party in the role of antagonist. It makes good sense to instead approach these issues as partners, prepared to give and take in the spirit of trust and mutual respect.

Yes, there are real economic benefits in proceeding with treaties in B.C., but at the end of the day the most important benefit will not be felt in terms of dollars and cents; it will be felt in the lives of the individuals as they are given the opportunity to contribute further to the greatness of Canada.

The benefits of holding a job cannot always be measured by points on a graph. Having a job is really about hope. It means having the ability to plan for the future in order to realize your own potential and advance your family. It means having the pride of contributing to the overall health of one's community. Is it better to leave things in a state of confusion or to sit down with our aboriginal colleagues and establish certainty?

Perhaps it is expecting too much to hope that the Reform Party's vision of Canada is broad enough to include the first peoples, generous enough to expand the circle of opportunity, or far sighted enough to see the wisdom in finally completing this great unfinished business of our history. Surely it is not expecting too much to ask the Reform Party to take a hard headed look at the economics of treaty negotiations and admit that it makes real sense. Surely we can see the awful price we are paying for uncertainty. Surely even they can see the benefits of negotiating instead of litigating.

• (1225)

I ask that the Reform Party and all other parties in the House join us in helping to close the chapter of frustration and fear and help us to write a new one of understanding and opportunity. Let us finally complete the work our forebears began.

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, I am humbled to be here in the House to speak in Parliament where the laws are made. This is the supreme lawmaking body of the country, based on the principles of the Canadian Charter of Rights and Freedoms, which says "based on the principles of the supremacy of God and the rule of law". We as aboriginal people, the first inhabitants of this country, have always known that.

We are now debating once again what has been debated for years and years: land. The first order of business has not been concluded with the First Nations, the first inhabitants.

The creator created all nations all over the world, created land, the trees, the environment we live in today. It so happens that he placed the aboriginal people in this country. Canada is an aboriginal word meaning community.

Our ancestors welcomed many nations that came to this land. Today many nations benefit from the rich resources of this country. As aboriginal people, we seem to be living in a third world country in our own homeland. We have always declared that the creator put us here and the creator will always honour that, no matter what governments do, how they cut it and slice this country. The country will always be aboriginal land, Canada.

Today we are talking about the B.C. Treaty Commission. Today we are also facing another crisis dealing with Quebec, another incident that would divide Canada. If it is the will of God to honour the people he placed here, the aboriginal people, the original inhabitants of this land, then Quebec cannot separate. We have put our faith in the creator to sustain us. This institution is based on that. The Canadian Constitution is based on that. As a matter of fact it is written on a piece of paper I have that in the principles of Christianity is found the liberty that has made Canada great. It is so great that in the United Nations' annual listing of the world's countries for 1994 Canada was ranked first out of 173.

• (1230)

Canada has benefited from the relationship with the aboriginal people. When we make treaties it has to be understood by every Canadian that we are here to co–exist, to welcome the Europeans, to live side by side with each other, to respect and honour each other and not to dominate. These treaties must also have the view and philosophy of the First Nations in this country because the creator put us here. We could not have given the land to anyone because we do not own it. We could only share the land and resources that would benefit everybody else in this country.

We did not accept the European concept of land tenure which is to have property, to see it as a commodity and to exploit and develop it for the purposes of a company or one or a few individuals. Maybe that is why opposition members are afraid of the land claims we are making. Maybe they think we may become like them. We may acquire all these things and not share them. In assessing these things we tend to assess the successes of our land claims and businesses in our communities based on European values and not in relation to some of the traditional ancient values we used to have. However, they are coming back again today.

We have to get back to the ancient roots because we are very close to the creator. The land has caused so much hurt. Look at the Oka crisis. Corporal Lemay died in that situation because the Mohawks did not want their ancestral burial grounds decimated. This summer in Ipperwash, Anthony "Dudley" George was killed as a result of land, another aboriginal burial ground.

These issues have to be resolved. They have to be dealt with. Our way of thinking and our philosophy are ones that have always been shared with other First Nations in this country, to share what we have, to share the land and resources. If we were to add up what it means in dollars and cents over the last 500 years I do not think it would even represent 1 per cent of the compensation to the aboriginal peoples. We probably would have been the wealthiest people in the world if we had been greedy and kept everything for ourselves. However, that was not our way of thinking.

That is why I am so honoured and humbled to be here, to be in this House which was created on the principles I espoused and which this place has sanctified to say all these things. All of us have to be reminded daily because we make mistakes as human beings. Personally, it has been a difficult journey for me to be involved in mainstream politics, provincially, nationally and internationally, in promoting this kind of philosophy.

• (1235)

The world's needs have come together because there is a global economy, a global movement which is happening, which is tearing our communities apart. It is influencing the communities in Canada. It is not just the aboriginal people, but Canadians as well. They feel helpless. They distrust governments. We have to restore trust.

I support Bill C–107. It will begin the treaty making process in British Columbia where treaties have not been made in the past, except for northeastern B.C., in the Peace River area, where Treaty No. 8 was signed years ago, as well as the treaty concerning Vancouver Island. However, most of British Columbia has never been in the treaty making process where land has been settled.

Our rights have never been extinguished. The Canadian Constitution has recognized that. There is not a requirement under the Constitution for any citizen or any nation to give up rights; rather, those rights which are recognized and affirmed in the Canadian Constitution should be expanded and defined. People are concerned about extinguishing land claims. They feel there should no longer be a requirement to extinguish land claims.

Several reports have been made to government over the past years. One was the 1985 Coolican report entitled: "Living Treaties, Lasting Agreements" which determined that extinguishing land claims were no longer an option. Today there is another report entitled: "Canada and Aboriginal Peoples: A New Partnership" authored by A.C. Hamilton. That report will be discussed in the near future. There was also the interim report of the Royal Commission on Aboriginal Peoples entitled: "Treaty Making in the Spirit of Co–existence: An Alternative to Extinguishment". That report is also an alternative to extinguishing land claims.

All of those reports suggest a new approach. All of them ask that we come together, that we respect each other and that we negotiate in good faith. The rights of all individuals must be recognized. Whether they be aboriginal, government, business,

or third party interests, their rights must be protected in order for us to co–exist without fear.

I have heard some hon. members say that one law should be applied. Whose law should be applied? When our cemeteries are being desecrated, will the government remove the people who are occupying them? How would they feel if our aboriginal people were to go to their cemeteries? Whose law would be applied?

We must bring this to the attention of the Canadian public. Our concept of land tenure is one of sharing the land and resources. If the Canadian people understood that, they would not be threatened by land claims. Their interests would be protected. Aboriginal rights would ensure that. Our forefathers have taught us for many years that our history is very rich.

I have called for a sacred assembly to which all members will be invited. I have invited the Prime Minister and the Minister of Indian Affairs and Northern Development. A letter will also be sent to opposition members inviting them to participate in the sacred assembly which will be held hopefully sometime in December.

The sacred assembly is designed to bring together aboriginal and non–aboriginal leaders, spiritual leaders and religious leaders from all walks of life in Ottawa for the purpose of providing counsel and promoting reconciliation because of the events of this past summer.

• (1240)

What I believe has been missing is the spiritual element of this whole process. The political process has failed us. We need to get back to our traditional spiritual roots. The prime objective is to restore that so that the spiritual leaders, advisers and elders can provide direction not only to our aboriginal leaders but to government leaders across this country as well. This is sorely needed and the time is right for us to address these things.

With those few words, I thank you for listening. I recommend this bill to the members opposite.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, today I rise to address the House on Bill C–107, the British Columbia Treaty Commission Act. I am extremely pleased to be joining my hon. colleagues in speaking in support of this legislation. It is imperative that we give the treaty commission the legal foundation and powers it needs to get on with the job of settling the dozens of land claims that are casting a cloud of uncertainty over British Columbia.

Settlement agreements acknowledge that claimant groups have some historic interest in the land which was occupied and used by their ancestors long before Europeans moved into the claim area. Equally as important, land claims settlements pave the way for a better economic future for the beneficiaries. They do so by providing a financial package to the claimant group and by ensuring a secure land base and certainty over resource ownership, all of which are critical to establishing a viable economic base.

The settlement of a land claim is not an end in itself, but a beginning. It is the beginning of a new era in which aboriginal people can regain control over their destiny, a destiny which has been taken from them. They can gain control of their economic future and reduce their dependence on government.

Hon. members have heard aboriginal leaders say time and again that self–government will be meaningless without sustainable economic development that is controlled by the aboriginal people themselves. On the other hand, the expansion of the aboriginal economy can help counteract the human and economic costs that for so many years and for so many generations have paralyzed First Nations communities across this great nation.

Economic development is critical to achieving the red book goal of strengthening aboriginal communities. Self–government, improved social services, better health care, more sensitive justice initiatives: the success of all of these efforts depends in part on strengthened local economies that provide aboriginal people with meaningful employment and reasonable levels of income.

There are many examples of the positive impact land claims settlements have had on aboriginal economies and standards of living. The Inuit of the Nunavik region are a case in point. Under the terms of the James Bay and Northern Quebec agreement, the Inuit established the Makivik Corporation which among other things serves as a holding company for a wide range of businesses that are bringing tangible economic benefits to northern Quebec every day.

I quote from the Makivik Corporation's 1994–95 annual report in which third vice–president Mark Gordon, who is responsible for the economic development program, made the following statement: "There is a common theme that unites all of our initiatives. That theme can be summarized by one word: control". Control by the Inuit people of their own future, control to do good, to enhance the lives of Inuit people.

• (1245)

The Inuit of Nunavik have certainly taken control of their economic future. The Makivik Corporation has used compensation funds to invest in a wide range of successful businesses that are providing employment and income to Inuit beneficiaries.

Air Inuit and First Air, for example, provide critical transportation and delivery services both within Nunavik and between the north and other parts of Canada and Greenland. Both airlines are major employers in the Nunavik region and both reported profitable years in 1994.

Makivik Corporation also owns the Kigaq Travel Agency which promotes travel in northern Quebec. Another Makivik subsidiary, Seaku Fisheries, is involved in commercial fisheries development. Among other things, Seaku manages Makivik's shrimp licence. In 1994, 43 Inuit fishermen from Nunavik were employed on shrimp fishing vessels with collective earnings of close to $700,000. The company also invested about $500,000 in 1994 in community based fishing projects.

Seaku owns 50 per cent of Unaaq Fisheries which trains fishermen and pursues fisheries business opportunities at the international level. In 1994, Unaaq International completed consulting contracts for the National Capital Commission, the United Nations Development Program, the Canadian International Development Agency and Industry Canada.

A newly created subsidiary of Makivik, Nunavik Arctic Foods, is commercializing Nunavik country foods, particularly caribou and ring seal meat. The food is harvested through traditional Inuit hunts, processed and packaged in four community processing centres and distributed throughout retail outlets throughout Nunavik. Studies have shown that during full scale operations of processing centres, 72 cents out of every dollar will remain in Nunavik.

Makivik has also entered into a joint venture with other Inuit development corporations to form a Panarctic Inuit logistics corporation. This new enterprise recently joined with Frontec Logistics Corporation to successfully bid on a $288 million contract to operate and maintain the north warning system for a five–year period ending in the year 2000. Among other things, the agreement between the two corporations provides for the recruitment, training and hiring of Inuit workers.

The Cree of James Bay region have also used their compensation dollars and other economic development funding to acquire and establish a very impressive portfolio of collectively owned businesses among other interests. The Cree holding company known as Creeco owns an airline and a construction company.

Using funds from their 1984 land claim settlement, the Inuvialuit of the western Arctic region have pursued a wide range of economic development initiatives under the umbrella of the Inuvialuit Development Corporation.

The most successful has been the Inuvialuit Petroleum Corporation which in 1994 realized an amazing 200 per cent return on the timely sale of most of its holdings in western Canada. The corporation closed the year with a $50 million investment portfolio and total assets of $117 million. The company has initiated a number of programs to provide direct benefits to Inuvialuit people, including employment training and development. It has an exciting future in the Canadian petroleum industry.

The Inuvialuit also co–own the Northern Transportation Company with another aboriginal business, the Nunasai Corporation of Nunavik. In 1994 the Northern Transportation Company was named business of the year by the Northwest Territories Chamber of Commerce. Over the 10 years that the business has been owned by aboriginal people, it has contributed more than $100 million in taxes, purchases and payrolls to the territorial economy.

Another successful Inuvialuit venture is the Umayst Corporation which markets musk–ox meat and wool. The Inuvialuit Regional Corporation has also formed an international investment house that caters specifically to native groups around the world. Based on its track record, in 1993 the Inuvialuit Regional Corporation was able to secure an $87 million loan from the Bank of Montreal, part of which was used to repay a loan from the federal government. Clearly Canada's investment and land claim settlements is a sound one.

• (1250)

Settlement agreements often include specific provisions for economic development that go beyond land and resource ownership and financial compensation. For example, as a result of the Nunavut final agreement, the Inuit of Canada's eastern Arctic have been guaranteed preferred access to economic opportunities in the area of guiding, sports lodges and the commercial marketing of wildlife products. The final agreement also provides for increased Inuit participation in government employment and contracting within the settlement area and includes the right to negotiate employment, training and other benefits for the developers of major projects.

Similarly, the land claim settlements of the Gwich'in and Sahtu Dene and Metis recognize the need to expand the economic horizons for aboriginal people. The Sahtu agreement provides for economic development opportunities related to guiding, lodges, naturalist activities and commercial fishing. The Sahtu Dene and Metis will also be well positioned to take advantage of employment and business opportunities that will arise in the oil and gas sector as a result of the settlement agreement.

The Council for Yukon Indians' final agreement also enhances opportunities for Indian people to participate in the territorial economy. Both the federal and territorial governments have made commitments to contract with aboriginal companies to provide Yukon Indians with access to government employment.

The combination of land claim settlement agreements and other economic development initiatives have resulted in significant expansion and strengthening of the aboriginal economy in recent years. Twenty years ago a survey of aboriginal economic development in most regions of Canada would have revealed pockets of commercial activity heavily concentrated in natural resource based industries. Today there are literally thousands of

aboriginal businesses across Canada operating in all sectors of the economy.

In my province of Saskatchewan, for instance, there are over 700 aboriginal owned and operated businesses enjoying tremendous economic success, doing well in the economy of Saskatchewan and indeed all of Canada. They provide employment to aboriginal and non–aboriginal people, paying the government tax revenue and all of the good things that go with sustained economic growth.

These aboriginal enterprises include industry firms, transportation and construction companies, retail and service outlets, manufacturing operations, management consultants, computer companies, arts and crafts enterprises, tourist outfitters and recreation oriented businesses.

Aboriginal businesses are also taking advantage of opportunities in new markets, such as authentic aboriginal tourism products which involve a combination of facilities and experiences that are uniquely aboriginal, experiences which are sought by many people from many nations.

Market research by the government indicates that authentic aboriginal tourism products have the potential to generate revenues of $1.6 billion annually in the Canadian economy. Not only will this benefit the aboriginal business but all businesses and enterprises across this nation.

Aboriginal business development is gathering momentum as First Nations, Inuit and Metis peoples seek to gain control of their economic destinies. In a 1991 survey of aboriginal people, more than 18,000 respondents indicated that they own or operate a business and 34,000 others indicated their intention to start a business within two years.

Aboriginal people are proving to be astute business people. An independent study of 292 aboriginal firms that received financial assistance from Industry Canada revealed that 90 per cent of those firms were operating after two years. These businesses have proven to be good sources of employment for aboriginal and non–aboriginal Canadians alike. Of the 2,122 jobs created or maintained with support from Industry Canada, 1,486 were held by aboriginal people and 636 by non–aboriginal people.

• (1255)

In addition to the business ventures I mentioned earlier, which are a direct result of land claims, there are many other examples of successful aboriginal entrepreneurship.

In Saskatchewan the Meadow Lake Tribal Council, which represents nine First Nations, was the winner of the 1995 prestigious Aboriginal Economic Developer of the Year Award. The tribal council has developed an impressive economic development strategy that sets out a tremendous range of activities. Already a forestry company owned by the tribal council has generated 240 direct jobs.

In La Ronge, Saskatchewan, Kitsaki Development Corporation has business enterprises which gross over $30 million a year and provide well in excess of 250 full time jobs for aboriginal and non–aboriginal people alike.

In The Pas, Manitoba the Opaskwayak Cree Nation owns seven profitable businesses and is developing more. The latest venture is an $8 million, 70,000 square foot hotel complex that will open in 1996. Another organization of Manitoba First Nations, the Southeast Resource Development Council recently opened a plant that will manufacture windows and doors for the nine First Nations in southeastern Alberta.

Next year the first aboriginal owned hydroelectric plant in Canada will open in the Northwest Territories. The $26 million Cascades station will be owned by the Dogrib Power Corporation and most of the 100 jobs created by the plant will go to local Dogrib people.

In Quebec the Mohawk Trading Company in Kanesatake markets office supplies, equipment, computers, software and furniture to a wide range of clients including federal departments, corporations like Pepsi–Cola and Colgate–Palmolive.

On the east coast the Labrador Inuit Development Corporation has signed a multi–million dollar contract to mine and export rare anorthosite crystal to Italy.

We are witnessing an increase in the entrepreneurial partnerships between aboriginal people and mainstream business communities. Such partnerships, joint ventures and strategic business alliances are essential if the aboriginal community is to capitalize on opportunities throughout the economy.

In northern Ontario, for example, the Mussel White Mine Development project involves an agreement between Placer Dome Mining and four First Nations. Under this agreement 60 jobs will be created at the mine site. The Long Lake First Nation in northern Ontario has also negotiated an agreement that provides for employment, job training and opportunities with Long Lac Forest Products:Buchanan Brothers. This agreement has resulted in 65 jobs for First Nations people.

Despite the impediment of unresolved land claims, British Columbia First Nations are also pursuing business opportunities. Since June 1995, for example, the Skeetchestn First Nation and the Chai–Na–Ta Corporation have been working together to grow ginsing on 544 acres of reserve land in the Kamloops area for export to China and Hong Kong. In return for providing financing and land for the project, the First Nation anticipates approximately 300 jobs and more than $14 million in profits over the 10–year agreement.

On Vancouver Island the Nuu–cha–nulth Tribal Council has turned a former residential school into a resort. The 56–room lodge is being operated as a franchise of the Best Western chain. About 70 per cent of its workforce is First Nations people.

Most of my comments today have illustrated how land claims can contribute to the development of aboriginal economies. But resolution of land claims is also vital to non–aboriginal peoples since it creates a climate of certainty and often leads to economic spin–offs in neighbouring non–aboriginal communities, as well as many jobs for non–aboriginal people.

Strengthening aboriginal communities provides new opportunities and wealth creation possibilities for all Canadians. It has been estimated that if aboriginal people were to achieve the employment and wage parity with other Canadians by the year 2000 it would boost our gross domestic product by a whopping 2.3 per cent. A stronger First Nations community means stronger regional economies and a stronger country.

• (1300)

Hon. members can rest assured the government will continue to support business and economic development initiatives among aboriginal people. We will do so not simply for the economic benefits but as a litmus test of our beliefs in fairness, justice, and equality of opportunity, as we stated in the red book.

Over the years we have not paid the attention we ought to allowing aboriginal people to fully participate in the Canadian economy. We have not paid attention to the great opportunities we can experience by everybody working together. When we treat all people in this land with dignity and with respect, when we work together, when we do not see the colour of a person's skin, when we do not see the race of a person, when we do not make distinctions based on religion, when we reach cross that gulf that has been created to share and to work together, it is then that our nation can prosper.

These are times when we hear many intolerant statements, many hurtful statements. However, these are times when we must be all the more vigilant in our fight for equality and dignity for all people.

Mr. Speaker, I thank you for this opportunity to point out the economic gains that could be made for all people by settling some long–unfinished business.

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, it is always a pleasure to hear people from all walks of life supporting land claims. I consider this a misnomer, but it is called land claims today. As far as we are concerned, we are not claiming the land; the land is already ours. For lack of a better word, we call it land claims.

There was some question about what the legal basis is for the B.C. Treaty Commission. The B.C. Treaty Commission is presently acting as an agent within the authority of the three parties, which are of course the Department of Indian Affairs and Northern Development, the provincial government, and the aboriginal people. In order to obtain funding for negotiations, the government had to seek the necessary appropriations from Parliament, which it has done. To allay the fears that there is no legal basis for the commission, we can rest assured the commission does have a legal basis.

I will return to the land claims issue in British Columbia and some of the issues the hon. member was talking about. One thing we have managed to achieve in a very short space of time as aboriginal people is to establish that we are a force to be reckoned with. People with little tolerance for aboriginal issues have a problem with the existence of land claims.

• (1305)

It was not so long ago that a previous prime minister of our party questioned that very thing but quickly turned around and realized that we do have a basis for land claims. The Right Hon. Pierre Elliott Trudeau questioned that in the early 1960s but realized that we did have a basis for recognition of aboriginal rights. Since then it has been acknowledged that there is indeed a basis for the negotiation of land claims.

In the past, aboriginal people have always been at a disadvantage in that it seemed we did not have anything to negotiate with, whereas the government had everything at its disposal to negotiate with. Too late for a lot of us, we realized we had a lot more to negotiate with than we thought. There was no clear definition of who owned the land and held the title. As a result, a recognition of the fact that we were here precipitated the land claims negotiations in the 1970s. Today we have settled quite a number of those negotiations and are continuing to settle them.

Now we are just starting on British Columbia, which is only right. It is long overdue for justice. I must question whether justice will ever really be served at this late date to the aboriginal peoples of British Columbia because of other interests and the agreement beforehand of not dealing with privately owned lands. I have to wonder about all this.

I was wondering if the hon. member could elaborate a little more on what his role was as the former chair of the aboriginal affairs committee. How did he see the positive benefits of land claims to the aboriginal peoples across the land, more so maybe in the province of Saskatchewan?

I was in a conference this morning in which aboriginal forestry was discussed. My knowledge of forestry is somewhat limited. I have very little knowledge of trees. Ask me about snow and how to define snow in 25 different ways and I can do that, but forestry is not my area of expertise. It looked like a very good program that was going on where they wanted to have joint ventures and co–management.

I was just wondering if the member might elaborate a little more on what co–management or joint venture in Saskatchewan is and whether it is in his area of expertise as a result of his chairmanship of the aboriginal affairs committee.

Mr. Kirkby: Mr. Speaker, I thank the hon. parliamentary secretary for the Minister of Indian Affairs and Northern Development for his question.

In my experience, we are just seeing for the first time the effects of land entitlement settlements upon the people of Saskatchewan. This is a result of longstanding grievances between First Nations and the government. Approximately 26 First Nations signed land entitlement projects, which compensated them for land that was not allocated to them at the time of the signing of the treaty but which should have been.

• (1310)

I believe it is a very positive development in Saskatchewan. I believe there will be a lot of economic development projects. These economic development projects will benefit both the aboriginal and non–aboriginal communities.

Within Saskatchewan we have to learn to better live together and work together. As in other places, we see that there can be intolerant attitudes expressed from time to time. However, in Saskatchewan nobody is going away. The aboriginal people will be there in the future and the non–aboriginal people will be there in the future. We must learn to get along and work together.

When people begin to see the benefits of the land claims settlements to the economy in general there will be an acceptance of the process. We will learn that what benefits one group in Saskatchewan will benefit all. When one group succeeds we all succeed.

In the area of resource management, we need to see that all people will begin to respect one another and will be able to sit down at the table to learn to work together and respect each other. We must not say things that can inflame the situation. We must work together so that all people will live together with mutual respect and dignity, now and in the years to come.

We must learn to live together and work together. The land claims settlements, as well as a number of other initiatives, will give us the opportunity to do so. We need to ensure that all people will strive for peace and will work together in mutual respect.

Mr. John Loney (Edmonton North, Lib.): Mr. Speaker, I am pleased and honoured to be able to stand in the House today to speak on the British Columbia Treaty Commission and its second annual report.

The report, released June 27, 1995, and tabled in the House on October 19 by the Minister of Indian Affairs and Northern Development, cites the participation of the majority of First Nations in British Columbia and the progress being made at several negotiating tables as evidence that this voluntary treaty making process is working. In the four months since the report was released, significant progress has been made in the negotiation of treaties in British Columbia.

When the report was released, 43 First Nations, representing approximately 65 per cent of the First Nations population in British Columbia, had entered the six–stage treaty process. By October 20, 1995, the number of First Nations participating in the process had increased to 47, representing over 70 per cent of the First Nations population.

In June seven First Nations had progressed to stage three framework agreement negotiations. Framework agreements have now been signed by the first four nations: the Champagne Aishihik, the Gitksan, the Wet'suwet'en, and the Sechelt. These First Nations are involved in stage four of the process, the negotiation of an agreement in principle.

Framework agreements have been initialled with three other First Nations: the Teslin and Tlingit Council, Gitanyow Hereditary Chiefs, and the Ditidaht First Nation.

Stage three framework negotiations are in progress with four First Nations: the Kaska Dene Council, the Lheit Lit'en First Nation, the Squamish First Nation, and the Nuu–chah–nulth Tribal Council.

• (1315)

The British Columbia treaty commissioners have made several recommendations relative to the challenges being faced in the process. They recommended that the principals and the parties to the negotiations continue to commit extraordinary effort to public information and that principals take a greater role in public education on a province–wide, regional and local basis.

The commission notes that in its first annual report it was critical of the principals for not fulfilling their obligation to inform the public. It adds that since then substantial progress has been made in the area of public information. The principals have made considerable effort to inform the public about the process and the issues, all in a spirit of openness.

Another of the commission's recommendations centres on the necessity of both levels of government to make full use of their consultation processes so that the community at large will be confident that its voices are heard and its concerns are considered.

The province–wide treaty negotiations advisory committee meets on a regular basis to provide advice to both the federal and provincial governments on sectorial issues such as fisheries, energy, petroleum and mineral resources; lands and forests; wildlife and governance. Regional advisory committees are being organized at the local or regional level in areas where First Nations are entering the treaty process. The government is committed to a consultation process that works effectively. Such a process is critical to the success of the treaty making process.

In this year's report the commissioners also recommend that an interim measures agreement be negotiated in a meaningful and timely manner so that the treaty negotiation process is not undermined. Interim measures are of critical importance to First Nations and should be included as a necessary element in a co–ordinated treaty making process. Interim measures should provide First Nations with adequate protection of their affected interests until a treaty is in place, thus avoiding the necessity of litigation.

The federal government is prepared to consider requests for interim measures where the issues are critical to concluding the treaties. The commissioners recommended that the principals review the current funding program to ensure that First Nations have adequate funds to prepare for and carry out negotiations and to enable the commission to carry out its responsibilities in allocating funds in a fair, independent and effective manner. The issue of funding is under review by the principals.

The commissioners also recommended that the principals address ways to effectively manage a treaty making process where more than 43 First Nations will be involved in negotiations. This issue has become even more critical to the principals as there are now 47 First Nations involved in the process. The principals are involved in discussions with each other and with the commission to find creative ways to manage these complex negotiations while respecting the right of all 196 First Nations in British Columbia to participate in this historic treaty making process.

I am pleased to report that the implementation of the commissioners' sixth and final recommendation is nearing completion with the introduction of Bill C–107, the British Columbia Treaty Commission Act, in the House on Wednesday, October 18, 1995. The enactment of the bill, together with the resolution of the First Nations Summit and the provincial Treaty Commission Act, will formally establish the British Columbia Treaty Commission as a legal entity.

Chief Commissioner Alec Robertson, Q.C., and Commissioners Barbara Owl Fisher, Will Battam and Peter Elugzik continue the work begun by their predecessors in fulfilling the commission's role as the keeper of the process. Miles Richardson was recently nominated by the First Nations Summit to replace Carol T. Corcoran, one of the original commissioners. These individuals are to be thanked for their dedication and perseverance during these trying times. This is a new process and they have worked long and hard to ensure that the process will work.

• (1320)

During the first year of operation the commission's emphasis was on accepting First Nations into the process. As the parties move into framework and agreement in principle negotiations, the commission's role will be focused on monitoring and facilitating progress.

The commission and the government are committed to the treaty making process and to doing everything possible to ensure that it carries the people of the province of British Columbia into the next century with healthier communities and more productive relationships.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

As I said earlier, it is always a pleasure to listen to people who have some understanding but also support the aboriginal people.

In the long run land claims is a misnomer. I guess the whole issue evolved because of the fact that all of a sudden more people were here than had been previously, since 1492. Prior to that we had been a stable population.

Christopher Columbus came over in 1492, which reminds me of a joke that should not be taken seriously. Dick Gregory, a comedian born in 1932, said: "You have to say this for the white race. Its self–confidence knows no bounds. Who else could go to a small island in the south Pacific where there is no poverty, no crime, no unemployment, no war and no worry and call it a primitive society?" Basically the same thing happened here when Christopher Columbus arrived.

However the reality is that this is 1995. We have gone through a lot of changes over the years. Now I think we are finally getting the recognition that should have been there right from the beginning.

I have a question for the hon. member on the British Columbia Treaty Commission. What will the B.C. treaty commission do to ensure that all British Columbians are informed of the treaty negotiation process?

Mr. Loney: Mr. Speaker, in reply to the hon. member's question, as part of its duties the British Columbia Treaty Commission is responsible for the provision of a public record on negotiations. The commission is required to report annually to the legislature, Parliament and the First Nations Summit on the progress of the negotiations.

Recently the commission released its second annual report to the principals detailing the progress of the negotiations. I have encouraged the new commissioners to play a larger role in informing the public on treaty negotiation issues.

In addition, a number of other steps have been taken to ensure that the treaty negotiation process is accessible and open to all British Columbians. These steps would include establishment of regionally based advisory committees, public forums, regional information meetings, a toll free phone number and brochures.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, in the last few years the public information programs developed around the treaty negotiation process have expanded from public forums and open houses to include a wide range of different activities covering the province. It is a fantastic positive model, one that reaches into every home, every community, every institution within each and every one of the communities in question.

• (1325)

I commend the government for introducing a model of that nature. All parties to treaty negotiations in British Columbia place a high priority on effective public information. That is the key to success.

Without information we operate in darkness, in ignorance. Decisions are made without the proper facts, without the proper support systems, without the proper introduction of the major parties concerned in helping to bring about the most effective decision that will cater to the needs of all parties concerned.

There are many opportunities for the public to learn about treaty negotiations and the treaty making process. These opportunities are being provided through activities undertaken provincially, regionally and locally. To date this government and the other governments involved are doing a fantastic job in notifying all parties concerned of the process and where, when and why activities must take place.

At the provincial level the tripartite public education committee or TPEC takes the lead. The committee consists of members representing the three principals who are representatives of the Canadian government, representatives of the province of British Columbia and the First Nations Summit.

For clarification purposes I would like to read from the act what we mean by the summit:

> Summit means the body that is established to represent the First Nations in British Columbia that agree to participate in the process provided for in the agreement to facilitate the negotiations of treaties among First Nations, Her Majesty in right of Canada and Her Majesty in right of British Columbia.

At the provincial level TPEC's primary objective is to plan, organize and implement province–wide public education programs on treaty negotiations.

I digress. Later in my presentation I will discuss the value of the process introduced in the province of British Columbia.

At the outset of the treaty negotiation process in 1994 the strategy developed by TPEC focused on holding public forums in communities around the province. Between June 1994 and today a total of fourteen forums have been held in British Columbia; five on Vancouver Island in Port Hardy, Nanaimo, Campbell River, Port Alberni and Victoria; three in the north in Prince Rupert, Smithers and Prince George; one in Cariboo—Chilcotin in Williams Lake; one in the Kootenays in Cranbrook; one in the interior in Kelowna; one on the sunshine coast in Powell River; and two in the lower mainland in Chilliwack and Vancouver. Two more forums will be held within the next few weeks in the lower mainland, one in Richmond and one in Delta.

The fact that so many have already taken place shows that the model is a dynamic one. We are reaching the people we should be reaching.

These community events begin with an informal open house in which the public is able to view displays and videos, pick up information and speak one on one with negotiators. The open house is followed by a forum, a formal panel discussion involving not only the principles of negotiation but also the B.C. Treaty Commission and the local first nation. After the presentations the floor is open to questions from the audience. The forums are moderated by a high profile member of the community. This is a dynamic community interacting model.

• (1330)

The critical and most crucial facets are where the individual who has a concern can come to the public meeting, identify with one of the leaders or one of the representatives of TPEC and discuss on a personal basis problems, issues or concerns relating to problem that will be discussed in the general meeting.

Then follows information. The information giving process is critical. It is absolutely essential that information at this stage be given in a very objective manner; clean, precise, not nebulous, not sweeping generalizations. The facts must be given as we know them in the real world.

Because three parties are involved in this process and because community representatives and community leaders are there from all facets of the community, the chances of success of giving a very accurate, true picture of whatever the scenario might be is far greater than having a bureaucrat come in from Ottawa or from Victoria to make a presentation on behalf of the governments in question or even a First Nations representative

making a presentation on behalf of all First Nations people in British Columbia.

We know from research that if all parties do not get involved in the decision making and searching for information processes, the picture will be tainted, tainted because a person at the top, if he has the responsibility for giving the information, has a very slim chance of presenting a real picture of what is happening at the grassroots.

Let me give an idea of what I am talking about here using a board of education as an example. It could be any institution we have created in the country. The chief executive officer will have a chain of command. The information will be coming from the grassroots up this chain to the office of the chief executive officer. The chief executive officer is paid a very grand salary and is responsible for all operations within his institution which might encompass thousands of people. He is responsible for their behaviour and actions and the outcome. Do you think for one moment that chief executive officer will be presented a true, accurate picture of what is happening at the grassroots? Of course not.

All research reveals that as information flows upward to the pinnacle, to the top of the pyramid, it slowly but surely takes on a new meaning, a new perspective, a new perception. Whatever the motivation might be, whatever the reasons might be, the information reaching the top is not the truth. This is one of the major reasons why this model introduced by the government of British Columbia has all the partners and all of the participants partaking in a variety of ways with a multitude of strategies. They are contributing at the grassroots and affecting the people who are making the decisions at the top end as well as middle management. This model is dynamic. It is one of the most fruitful models we have at the present time in our democratic society.

These community events begin with an informal open house. This is crucial. People must come into an atmosphere and environment where they feel at ease. It has to feel as if they are coming into a family reunion where they can openly and honestly discuss their concerns and perceptions with each other. It must not have the atmosphere of a formal meeting dictated and controlled by one chairperson.

After the presentation, the floor is open to questions from the audience. That is another crucial stage of this process. The people that are asking the questions may not have the same perception as a chairperson or any other of the major players has in this session. The person asking the question may have a completely different background which in turn affects how he or she perceives what is being presented in this meeting. If this person's perception is off balance or it is not in harmony with the perceptions and actual concepts that are being presented by the leaders of these groups then I think we have a problem.

• (1335)

However, in this model the people who are responding to the concerns and to the questions must have the background to understand the people who are asking the questions. It is absolutely essential that in this model we have representatives of the First Nations people who have a very in depth, comprehensive understanding of what this treaty and this model are all about and what the process is all about.

I would rather see someone from the First Nations who is capable of handling that role presenting an information package or responses to questions raised by First Nations people than someone coming from the department of Indian affairs in Ottawa telling the people in British Columbia that this is the way it is and these are the answers to the questions.

My perception will never be the same, no matter how long I work with First Nations people. I could work with them for years and I would never have the same type of perception of any situation as they have simply because I have not been raised in that culture. I have not been raised in their environment. Therefore, their experiences would be far different from mine.

The forums are moderated by a high profile member of the community. As more First Nations groups move into stages three and four of the treaty process, TPEC is expanding its activities to include issue oriented forums, with more focus on what is happening at the negotiating table and workshops for the media. The first media workshop was held in Nanaimo last week and was extremely well received.

A second level of public information activity takes place at the regional and local level. As part of the readiness preparations, the three negotiating parties establish a tripartite public information working group to support the negotiations. This is critical. We may have some of the most dynamic, shattering, exciting, zestful kind of experiences within that public forum but if the information that is being shared and generated is not shared with other people in the community who could not be in that public hall, all is in vain. All we are doing it helping to develop a gap between those who know and those who do not know.

Therefore, it becomes much more difficult to convince the public who do not have the first hand knowledge to really and truly comprehend what is going on. If they are making judgments based on ignorance then we have trouble. We then have negative reactions to anything that is being proposed in the media.

It is critical how the information is handled, the media that is involved, their perceptions and the kind of interpretations they give.

This working group develops a strategy, an action plan for the negotiation and takes responsibility for implementing the plan in the communities which fall within the traditional territories. It is extremely important to realize that these people must have an awareness of the communities in question. The model they might introduce to a community like Nanaimo may not not be exactly the same as the one they might introduce in a community like Powell River. They must have a knowledge and understanding of the people involved in each of the communities. What are the concerns in that community? What are the things people are saying in coffee shops? What are they saying on the reserves?

• (1340)

What kind of reaction are we getting to things we have already done? What kind of feedback are we getting from the major players from what we have done in the past? All of this has to be taken into consideration in making a global perception of the community where we are going to present this information package, or become involved in a process with the three partners and other members of the community.

A variety of initiatives have been implemented throughout the province. Some examples of programs include resource centres being established for the community at large on the sunshine coast, in Kelowna and in the Cariboo—Chilcotin area. These will be located in the local libraries.

The libraries will be provided with a set of three binders. One contains all information pertaining to the treaty negotiation process. I have not seen the binder, but I am hoping that the instructions regarding process are clean, clear, concise and understandable. The second contains all information specific to the negotiations being carried out in that community. The third contains all documentation pertaining to the local consultation process.

Newspaper supplements are being produced in Kelowna, Prince George and Williams Lake. These will be inserted into local newspapers to provide the widest distribution of information about the negotiations to the community. Extra copies will be produced for use as handout material at public events.

Open houses are held from time to time in each negotiation area to allow the public to informally meet with negotiators to discuss matters relating to the negotiations. This is dynamic because there is no set formula or schedule, but when the need arises within a community for an open house it materializes.

This is extremely important because when the emotions rise, you must strike when the iron is hot. If the people are really agitated and very concerned about some issue, they should have an open house as quickly as possible if that is a strategy that they feel is going to be the most effective in giving the information to all parties concerned.

A local organized public forum has been held in Prince Rupert. These forums involve not only negotiators, but also members of the community to discuss issues in depth. The forums are normally taped by the local community cable television stations and rebroadcast. We are very fortunate that often the local community television stations will rebroadcast some of these events two, three or four times at different times of the day to make sure they hit the various listening audiences that are available at that time.

Information about negotiations is often made available through other public events. For example, in the north, information booths have been set up at annual trade shows, giving negotiators wide exposure to those attending the show. Another example was the information booth set up for the Burrard negotiations at weekend canoe races and at a shopping mall as part of a week long native heritage days event.

Those are some examples, but I could go on and on because the human mind is a very creative thing. If you take the tethers off the human mind and allow it to be free to create, you will find that the individuals concerned will come up with a multitude of strategies on how to share information with each and every concerned person.

The working groups are also actively seeking opportunities for negotiators to speak to community groups, such as chambers of commerce, municipal councils, unions, churches and business groups. All of these activities involve a media component. The working groups have developed networks with the local media and keep them informed, as well as seeking specific opportunities for negotiators to be interviewed by reporters and appear on radio talk shows.

An important aspect of public information work at the local level is developing partnerships and alliances with community groups. Efforts are under way on a continuing basis to develop linkages with educational institutions, business associations and community organizations in an attempt to encourage ongoing dialogue with the communities.

• (1345)

The Deputy Speaker: I am sorry to tell the hon. member that his time has expired. Perhaps there will be more in questions and comments.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I am inclined to agree with the member who as I understood it stated that we cannot have a true settlement unless the grassroots are consulted.

The inference I took was that he was saying the grassroots at the aboriginal level should be consulted. This is not a criticism; I am just stating that I was not at all clear as to whether he also believed as I do that there must be a full consultation process at the grassroots level with the non–aboriginal community as well and that they must be involved in the process.

He did refer to partners participating. Again, I agree with that. I believe he also mentioned about people making decisions at the top end. I suggest to him that the problem with the process as it is presently envisioned by the federal Liberal government and by the NDP government in British Columbia is that people are going to be making decisions at the top end for the non–aboriginal community and there is going to be insufficient input from the grassroots, as he put it, in the non–aboriginal community.

Since coming to Ottawa I have experienced that consultation is a word which is frequently used very liberally, if I may use a play on words, particularly by the civil service. Consultation really means that they are going to go through the process of appearing to consult, but after all is said and done, the die is cast and the decision has been made.

I would assume that the member believes in the equality of all Canadians as I do. Everyone of voting age meeting certain qualifications should have the right as a Canadian citizen to vote in any election. That also obviously extends to the broader issue of the equality of all Canadians. I wonder if the member would also agree with me that in the same way throughout this process there most probably are going to be ratification procedures for the aboriginal community which will be one person, one vote.

I wonder if the member would agree with my party's position that there also must be a ratification procedure which would be outside of the ratification by this Chamber or by the legislature in Victoria. The ratification procedure should be on the basis of one person, one vote for all people in the affected area, be they aboriginal or non–aboriginal. This would give us the qualification that all people are equal regardless of race, language, creed, colour, religion or gender. Would the member agree that in order for this process to work we must have one person, one vote by aboriginal and non–aboriginal alike in order to have a final and concluding settlement of this issue?

Mr. Dromisky: Mr. Speaker, I thank my colleague for the questions and his perceptions. I have to agree with him that the democratic process is a viable one. All interested and concerned parties who in some way will be affected must be involved in the process.

Because the negotiating process affects all people, it is possible that those who are interested and keenly want to become involved may do so. They may contribute to the process. That is why I say it is extremely important that people at the grassroots level do not shy away from the process but contribute to it.

• (1350)

When it comes to the actual decision making, whether a vote should be here or there, I am not too aware of the exact process or the technicalities involved. I am sure that all parties concerned will come to some decision as to how it should operate. I am sure they have, but I am not aware of the strategy they are using at the present time.

From what I can gather it is a consultative process, one in which consultation takes place with all parties concerned. Information flows and decisions are being made in light of the information they have generated. Alternatives are carefully examined and some consensus must be reached within a legal framework naturally by all parties concerned.

Mr. Abbott: Mr. Speaker, I have a brief supplementary to my friend.

I wonder if he would give us his personal opinion. In order for us to arrive at a proper conclusion to this process as the aboriginal community will have one person, one vote, would he agree that the non–aboriginal community that is affected by the same process should also have one person, one vote? What is his opinion?

Mr. Dromisky: Mr. Speaker, my opinion is very simple. If the issue pertains to a treaty settlement in a particular reserve or area, the people involved are the ones who should be making the decision. There is no doubt about it.

For instance in my own riding in the reserve of Fort William, if there is going to be a decision made regarding the reserve's boundaries and so forth, the people who are involved in that decision making are the ones who are on the reserve and other partners. For people who might be affected by the decision who live 10, 15, 20 miles away in my opinion I would not expect them to be actively taking part and casting a vote.

Putting it simply, the people on the reserve are the ones who are being affected by the decision. Therefore they must through this process and come to some conclusion as to how it is going to be decided.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I wonder if I might give a lesson to the hon. member of the Reform Party on government and land claims.

In the aboriginal world, land claims have been going on for some time in which a particular group is formed to negotiate. For example the Inuit people of the Northwest Territories in the eastern Arctic formed an organization called the Tungavik Federation of Nunavut which in turn now is called Nunavut Tungavik Inc., to negotiate land claims agreements on the Inuit's behalf with the Government of Canada. The way the

people of Canada, other than the Inuit people of the Northwest Territories, took part was through their elected representatives, the Government of Canada and their member of Parliament.

That is the process that has been used. I guess it is called the British parliamentary system where you elect your member of Parliament and he or she acts on your behalf.

In the aboriginal people's case an organization was appointed. I am sure all aboriginal groups across the country have an organization, which is negotiating on their behalf and they in turn have to ratify whatever is negotiated.

The people of Canada or people of a certain region, such as the people of British Columbia, will be represented by their elected representatives, whether it is the member of the provincial legislature or the member of Parliament for that particular region.

I wonder if the hon. member might care to expand a little more on how the information should be disseminated to the public at large about the British Columbia Treaty Commission so that the people of British Columbia because they feel involved in it will feel they have a role to play in the whole process.

• (1355)

Mr. Dromisky: Mr. Speaker, I have already given some information regarding process. As many strategies as possible must be created to inform the public. It may be costly. It may be time consuming. It may be consuming in terms of human resources and so forth, but it is absolutely essential for developing the proper mental state, perceptions and so forth that as much information be given to all members of the adjacent community as well as the First Nations people.

I am sure that in the hon. member's communities as well as in a great number of communities with all the modern technology we have, with the creative individuals who exist in each community, we could come up with a multitude of very effective information giving and information sharing strategies.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I support Bill C–107, the British Columbia Treaty Commission.

As many members are aware, the process of treaty making in British Columbia includes important third party consultations. In July 1993 the federal and provincial governments announced the establishment of the Treaty Negotiation Advisory Committee, TNAC. This is a 31 member organization that is divided into four sectoral advisory groups dealing with lands and forests, wildlife, fisheries and governance.

Each sectoral committee has completed interest papers which give an overview of the impact of treaties on their economic resource used and regulatory requirements. There have been several common interests identified. These include the need for certainty in treaty settlement, assured access to land base, fair and affordable agreements and avoiding impact on the existing employment base in smaller communities.

TNAC members ensure that the interests and expertise of major industries, business, labour, environment and outdoor recreation groups and local governments are understood and are taken into consideration in treaty negotiations.

TNAC advises governments on broad province–wide concerns and provides a forum for the provision of detailed information for discussion.

The process aspect of treaty negotiations has also received considerable attention from TNAC members and their demands for a more—

The Speaker: Colleague, of course you have just started your remarks. You will have the floor immediately when we come back to the debate.

It being 2 p.m., we will now go to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

QUEBEC REFERENDUM

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, the residents of Hamilton Mountain are very concerned about the referendum campaign in Quebec.

In countless conversations with my constituents many have expressed a strong desire to see Canada remain united. They want Quebecers to remain within Canada so that they do not lose the benefits of belonging to one of the world's most prosperous and successful countries. We want them as members of the Canadian family to enjoy all the privileges that entails.

As a united country, we have managed to build a prosperous and progressive society. Both Canada and Quebec are better off united.

On behalf of the residents of Hamilton Mountain, I would like to appeal to Quebecers to choose Canada and vote no on October 30.

* * *

MANITOBA

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a pleasure to rise in the House to pay tribute to Manitoba's 125th anniversary.

Over the past year, all Manitobans have celebrated the history of this great province and its place within Canada. All over the province, communities large and small have been holding events and gatherings focusing on Manitoba's 125th birthday.

The strength and prosperity of Manitoba has been built by people of many different cultures and customs. Bound together by a dedication to hard work, they have built a proud legacy that will endure long into the future.

The past year has also seen celebrations of special accomplishments in the history of Manitoba. These achievements have been a source of pride for not only Manitobans but all Canadians as well.

In this anniversary year, Manitoba serves as a shining example of what can be achieved through the fundamental values of hard work, dedication and commitment to building a strong community.

* * *

CANADIAN UNITY

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I wish to pay tribute to Roger Bernard who, with the help of his organizer, Mr. Robert Feeney, was able to accumulate over 60,000 signatures in support of Canadian unity.

Mr. Bernard began a 23-day journey on July 1 of this year entitled "Canada Can Campaign '95—Standing Up for Canadian Unity" in order to deliver a message of optimism, hope and inspiration to all Canadians.

[*Translation*]

Mr. Bernard collected these signatures on a long trip spent running and cycling the 2,219 kilometres between Barrie, Ontario, and his hometown, Eel River Crossing, in New Brunswick. He covered an average of 100 kilometres per day and visited 23 municipalities.

Speaking on behalf of all Canadians, I want to commend Mr. Bernard for his courage and his dedication to our country.

[*English*]

Mr. Bernard and Mr. Feeney are in the House today.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I rise in the House today to speak to our neighbours in Quebec who are going through a period that is critical for their future. My riding, Timiskaming—French River, is on the Quebec border, and 30 per cent of the residents are francophones.

Since time immemorial, people in Northern Ontario and Northern Quebec have done business with each other. Strong ties of friendship have developed between these two regions. There is no doubt that if Quebec separates from the rest of Canada, we would see a considerable decline in the level of interprovincial trade. Quebec's separation would also have a devastating impact on what now constitutes Canada's strength: our trade, our economy, our national and international relations and especially our two cultures.

Dear friends and neighbours in Quebec, there are no problems we cannot solve in order to build this beautiful country together. So on October 30, decide to grow with Canada and say no to separation.

* * *

FRANCOPHONES OUTSIDE QUEBEC

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, the Bloc Quebecois gives us a false impression of its interest in the situation of francophones outside Quebec. Compare the insincerity of its comments on the decline of francophones outside Quebec with the following statement sent by the mayor of Whitby to the mayor of Longueuil, as part of an exchange of letters between the two twin cities. It indicates that francophones outside Quebec have not been assimilated and have contributed to the education of dynamic communities.

As Mayor Edwards said: "I can assure you of the fond admiration and deep attachment felt by all citizens who have taken part in twinning activities since 1969, for our friends and colleagues in the city of Longueuil; I am convinced that the feeling is mutual.

In Whitby, there are tangible and permanent signs of these exchanges which gladden my heart. From my window, for instance, I see Longueuil Park. A little to the north, Charles Garnier school is under construction, a school for French immersion which reminds us of the presence and growth of francophone communities in our country".

* * *

REFERENDUM CAMPAIGN

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, last week, the Minister of Intergovernmental Affairs went so far as to call the sovereignists racists. This insulting epithet is not worthy of a parliamentarian and certainly not of a minister. I have spent my whole life fighting against racism, discrimination and injustice and for the rights of minorities, immigrants and refugees. I am not at all a racist.

Furthermore, I can assure you that sovereignists are tolerant and open to cultural diversity, as are the thousands of voters in the riding of Bourassa, in Montreal North, who voted for me, a candidate of Latin American origin.

The Minister of Intergovernmental Affairs should publicly apologize for these gross and unwarranted attacks which were directed to more than 50 per cent of the people of Quebec.

S. O. 31

[*English*]

NEW DEMOCRATIC PARTY OF BRITISH COLUMBIA

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the NDP has always painted itself as the defender of the little guy, the downtrodden and the poor. It is time for a reality check.

Recent news stories in British Columbia reveal that British Columbia's New Democratic Party and a related fundraising group used a web of deceitful accounting and shady payoffs to rip off charities for years. NDP headquarters has been raided on the execution of search warrants alleging theft and fraud of more than one million dollars.

This scandal has serious implications for this House. Several former members are implicated in the diversion of charity funds. The question is how much money flowed from NCHS to finance federal NDP campaigns?

●(1405)

In a 1987 letter former NDP MP Dave Stupich claims that the Nanaimo Commonwealth Holding Society contributed substantially to the New Democratic Party at the local, provincial and federal levels.

On behalf of the charities involved and all members of the House, I demand that the investigators broaden their scope past the B.C. border to include contributions made to federal—

The Speaker: The hon. member for Regina—Qu'Appelle.

* * *

NATIONAL PAROLE BOARD

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, Helen Betty Osborne, a 19–year–old Métis girl, was brutally murdered in 1971 in The Pas, Manitoba. Sixteen years later Dwayne Archie Johnston was the only person convicted for the crime and sentenced to a life sentence with no eligibility of parole for ten years. An aboriginal justice inquiry also determined that the murder was clearly motivated by racism.

Today, only seven years after his conviction, Mr. Johnston is out on day parole and can enjoy his weekends outside the prison. Newspaper reports state that there are a number of serious factual errors in the parole board's file on Mr. Johnston and that he "narrated his version of events in an emotionally flat, bland manner, as if rehearsed".

I strongly urge the parole board to seriously re–examine its decision to allow Mr. Johnston day parole.

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, the Minister of Foreign Affairs belittled Quebecers on the weekend by intimating that Quebec would be too small to penetrate world markets. Quebecers will simply not stand for such belittlement and will continue to maintain a steady course for sovereignty, despite the waves created and the flotsam strewn in their way by the advocates of the status quo.

In response to the minister, who claimed that voting yes was like trading an ocean liner for a rowboat, we offer the remarks of the Mayor of Granby, who said: "And I say this to you: the *Titanic* is listing dangerously. The time has come for us to get off the luxury liner in a calm and orderly fashion and board the Quebec flagship".

And this is exactly what Quebecers will do on October 30.

* * *

FRANCOPHONES OUTSIDE QUEBEC

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, there are others besides the Bloc member for Rimouski—Témiscouata lacking respect for francophones outside Quebec. Her separatist colleague, the PQ regional delegate for the Outaouais region, stated on October 20, with regard to francophones outside Quebec, that they are much more colonized than francophones in Quebec, so they are twice as afraid, that francophones outside Quebec are twice as frightened and doubly moved by the fear sown by the camp of the desperate.

Quebec separatists have become so arrogant toward those different from them that they think they can do anything they like. Quebecers are aware of Canada's virtues of tolerance and generosity. On October 30, they will vote no to the arrogance of the separatists.

* * *

REFERENDUM CAMPAIGN

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, in a week it will be October 30, and Quebecers will have to vote in the referendum on Quebec's separation.

Before they vote, they should ask the following questions. Do you want Quebec to separate? Do you want Quebec to stop being part of Canada? Should Quebec become a foreign country? Do you no longer want to be represented in Canada's Parliament, that is, no longer elect members in a federal election? Do you want to give up all that you, your parents and your grandparents have built in this country?

Quebecers know Canada. It is their country. They have always had their place here. They know that Canada can be improved to better meet their aspirations and they will prove it by voting no on October 30.

* * *

REFERENDUM CAMPAIGN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, one of the key arguments used by the separatist spokespersons in justifying their plan to separate Quebec is the issue of protection and survival of the French language.

It is claimed that French is in danger in Quebec and the only way to ensure its future is to break Canada apart this coming October 30.

How can the separatists make such an exaggeration concerning the French language, when they are preparing in their project of separation to condemn more than a million francophones outside Quebec to isolation?

In Canada, the French language knows no borders, no colour, no race. This coming October 30, Quebecers will say no to the abandonment of their millions of francophone neighbours, and a strong Quebec will remain within a Canada which, too, will be strong and united.

* * *

• (1410)

REFERENDUM CAMPAIGN

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, the following is a comment that was made in May 1990 on the Prime Minister of Canada's position with respect to Quebec. It was said that "For a year he has made political hay at the expense of Quebecers by telling English Canada that there would be no problem in Quebec if the Meech Lake Accord failed".

And who was the author of this commentary? A sovereignist? Not in the least. It was the present Minister of Finance who was denouncing the intransigence of the Prime Minister of Canada with regard to the demands of Quebec.

It is all very well for the Prime Minister of Canada to try to rewrite history, casting himself in the role of Captain Quebec, but Quebecers remember that the person who was pulling the strings to make Meech fail in its attempt to meet the minimal demands of Quebec to reintegrate the Canadian Constitution was none other than the "little guy from Shawinigan".

If we vote no, we are again placing the fate of Quebec in the hands of the man who, to again quote his Minister of Finance, "went off to Ottawa to put Quebec in its place".

REFERENDUM CAMPAIGN

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, is Quebec a distinct society, or is it not?

We reformers believe it is, but we also believe that the other provinces have some distinguishing elements as well.

In our opinion, all provinces should have the same status within Confederation, just as all Canadians should be equal in the eyes of the law.

We have therefore reached the conclusion that it is possible to ensure equality and the recognition of languages and cultures. All that this would require would be to give the provinces primary responsibility for language and culture.

* * *

REFERENDUM CAMPAIGN

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, the contempt with which the Bloc member from Rimouski—Témiscouata referred to francophones outside Quebec is absolutely unacceptable. It illustrates the kind of threat the separatist platform represents for francophones in other provinces.

Canada's francophones now know perfectly well that a separate Quebec would have no interest in introducing measures to promote the French fact in Canada.

Quebecers, however, are very sensitive to the issue of protecting the French language. They will not let the separation of Quebec threaten the future of more than one million francophone compatriots.

On October 30, they will vote no, because they do not want the French language to disappear in Canada. We will not let the separatist magician make us disappear with a wave of his magic wand.

* * *

REFERENDUM CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, francophones outside Quebec continued throughout the weekend to react to the intolerable comments made by the Bloc member from Rimouski—Témiscouata.

We all remember that last week, the Bloc member said in the House, and I quote: "According to Statistics Canada, there are one million francophones outside Quebec, but just 640,000 speak French. They have been assimilated—the francophones—poof!" she said, making fun of us francophones outside Quebec.

Director General Georges Arès of the Association canadienne française de l'Alberta said, and I quote: "The future of francophones in Alberta is more promising than ever before". Mr. Arès was referring, for instance, to a commitment by Premier Ralph Klein regarding school governance by Franco-Albertans.

Francophones across Canada, including those in Quebec, feel insulted. As Murray Maltais said in *Le Droit*, referring to the hon. member in question: "She says what she thinks, but she does not always think about what she says".

* * *

[*English*]

GASTON TREMBLAY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, on October 16 I attended the funeral of a great Canadian, my friend Gaston Tremblay, whom I always knew as Gus, a native of Quebec.

Gus retired to my riding in 1984 after a distinguished career in the RCMP. Gus had a talent for numbers, which he used as an RCMP auditor but also as a volunteer treasurer for many community organizations, including the Royal Canadian Legion and the Reform Party as my official agent during the election campaign. He attained a high rank in the Knights of Columbus and was past president of both the RCMP Veterans Association and Gateby intermediate care facilities.

• (1415)

His talent with numbers gave him special insight regarding our national debt and as treasurer of any group he guarded their every dollar. Gus was a man of passionate convictions. He dearly loved his country and rejected the idea of hyphenated Canadians.

I extend my sympathies to his family members and join them in their grief. Gus Tremblay, my friend, will be sorely missed.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, after an urgent appeal from the chair of the No committee, Mr. Daniel Johnson, who asked him to announce his position on the issues of distinct society, veto rights and elimination of overlap, the Prime Minister of Canada, after humiliating his ally, Daniel Johnson, in New York by refusing to do so, finally agreed to issue a joint statement with Mr. Johnson dealing only with distinct society, and I will quote part of the statement:

> We remind you that we have both supported the inclusion of this principle in the Canadian Constitution every time Quebec has demanded it.

My question is directed to the Minister of Intergovernmental Affairs. What explanation does the minister have for the fact that the Prime Minister claims he has always supported the principle of a distinct society every time Quebec has demanded it, although he fought with such tenacity against the Meech Lake Accord which contained a significant definition of distinct society?

The Speaker: My dear colleagues, I would appreciate it if you would make both your questions and your answers a little shorter.

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 think if anyone reads the last paragraph of the statement, he will know exactly what the situation is, without the embellishments added by the hon. member for Roberval. I will read the last paragraph of the statement issued jointly by the chair of the No committee and the Prime Minister of Canada:

> We state unequivocally that Quebec is a distinct society. We remind you that we have both supported the inclusion of this principle in the Canadian Constitution every time Quebec has demanded it. We have not changed our opinion on this subject and we always maintain our support for this fundamental Canadian reality. We have supported it in the past; we support it today and we will support it in the future, in all circumstances.

This is a clear-cut position; it indicates exactly what the No committee and the Prime Minister of Canada believe.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Minister of Intergovernmental Affairs acknowledge that when the Prime Minister of Canada says that he has supported in the past, supports today and will support in the future, in all circumstances, the distinct identity of Quebec society, he is referring to the concept of distinct society in the Charlottetown Accord, a concept that was meaningless, being subordinate to the equality of the provinces, a concept that was rejected by Quebecers, and that the Prime Minister has always been opposed to the concept of distinct society as defined in the Meech Lake Accord?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the answer is no, and once again we must emphasize that the question on October 30 will be about the separation of Quebec from Canada.

The Bloc Quebecois wants to separate Quebec from Canada. As for Mr. Parizeau, when the distinct society concept was raised with him, his comment was: "I do not give a damn about distinct society, I do not want it". That is what he said. And he is the leader of the Yes committee, while we have always insisted it was possible to be both a Quebecer and a Canadian and that it is in the best interests of Quebecers to remain in Canada in order to make the changes that are needed.

• (1420)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs knows perfectly well it is unconscionable for the Prime Minister of Canada to tell his ally, the head of the No committee, that the distinct identity of Quebec society will certainly not be enshrined in the Canadian Constitution.

Will the minister at least admit that the reason the Prime Minister will not include this distinct identity in the Canadian Constitution is that he ran his campaign for the leadership of the Liberal Party on an anti–Meech Lake platform, so much so that the then Minister of Finance said in *Le Devoir* on March 9, 1990: "Jean Chrétien is about to destroy forever the credibility of the Liberals in Quebec"? Would he agree the Minister of Finance was right?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the hon. member for the Bloc Quebecois does a poor job, as he often does, unfortunately, of presenting the position of the Prime Minister of Canada.

In his speech in Quebec City last Thursday, the Prime Minister said: "Quebec is a distinct society because of its language, culture and institutions". Those who were opposed to change in recent years were the members of the Bloc Quebecois and the Parti Quebecois.

We should remember that the Parti Quebecois not only rejected the changes proposed in the Charlottetown Accord but also campaigned to ensure that Quebec would not have the powers and jurisdictions included in Charlottetown.

We must set the record straight. Those who are in favour of continuing change and development in Canada and Quebec and who support the best interests of Quebec are not those who want to break up the country and separate Quebec, with all the negative consequences that would ensue.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, in the joint statement issued by the Prime Minister of Canada and the leader of the No side on the weekend in an effort to cover up the deep division between them, they say that they have not changed their minds about the distinct society and that they still believe this basic Canadian reality should be acknowledged.

Will the Minister of Intergovernmental Affairs admit honestly that the real position on the notion of a distinct society is the one expressed by the Prime Minister on September 11, 1995, when he said that there was absolutely no need to enshrine in the constitution the fact that Quebec francophones are distinct from other Canadians. Dixit Jean Chrétien.

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 am not going to repeat the last paragraph of the statement again, because the answer is the same.

However, what is important to see is that the official opposition is trying to shift attention away from the real issue of the referendum debate. In the referendum debate, the Bloc Quebecois and the Parti Quebecois want to separate Quebec from Canada. Their aim is not a partnership, as Mr. Bouchard has finally agreed. Their aim is not a distinct society either. These are empty questions, because Mr. Parizeau has clearly indicated that he could not care less about a distinct society.

Their aim is to separate Quebec from Canada, and they will be responsible for breaking up Canada and causing the ensuing negative effects for Quebec.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, I would ask the minister how Quebecers can trust the Prime Minister of Canada when he claims to be in favour of the concept of a distinct society when we know those who made him head of the party, like Clyde Wells, are completely and unconditionally opposed to a distinct society—thank you Clyde, we remember—and will never permit the Prime Minister to go back on a commitment he made in the leadership race, which he won specifically because he was opposed to the Meech Lake Accord, unlike the present Minister of Finance, who was in favour.

• (1425)

The Speaker: My dear colleagues, I would ask you to not use the name of any member who has sat here in this House and to always use their title as minister, if that is the case, or of leader of the opposition, rather than using their name.

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 counts at the moment is finding out which option will enable Quebec to best cope with the problems of the world to come. The Prime Minister of Canada agreed with Charlottetown, which contained a whole series of measures that would have enabled Quebec to acquire certain jurisdictions it wanted. The Parti Quebecois was the one opposed.

The option that will enable Quebec to continue to develop and cope with its problems in the future is the option that implies that Quebec will remain in Canada, where it has developed harmoniously for 128 years and that it will continue its quiet revolution within the constitution. I would point out that the first quiet revolution took place while Quebec came under the constitution.

Oral Questions

CANADIAN ECONOMY

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I would like to change the subject from constitutional ills to the overriding economic interests of all Canadians, including Quebecers.

[*English*]

My question is for the Minister of Finance. The minister will know that the Canadian dollar is continuing to fall today in international markets.

Some hon. members: Oh, oh.

Mr. Harper (Calgary West): I know the Bloc does not take this matter seriously but I would like to ask the question anyway.

International investors know that the prospects of a yes vote do not mean a new and better economic union between Quebec and the other provinces but the end of the economic union we have today.

What measures has the minister taken to assure the international financial community that Canada will fulfil all the financial obligations it has contracted on behalf of all Canadians including Quebecers and that it will fulfil these obligations regardless of the outcome of the Quebec referendum?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the hon. member has asked two questions.

In terms of the first one on the value of the dollar, as the hon. member knows Canada has a floating exchange rate. Under those circumstances the value of the dollar is established by the markets. When the occasion requires, the Bank of Canada will intervene to ensure there are orderly markets.

On the second question relating to Canada's obligations, I am very confident international and domestic markets are completely assured that Canada will under all circumstances fulfil its obligations.

However I should like to take advantage of the question asked by the hon. member to reaffirm, without any hesitation and without any equivocation, that Canada stands 100 per cent, four square behind all its obligations.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, according to a recent article in the Vancouver *Sun* the Minister of Finance made reference to the fact that the premier of Quebec, Mr. Parizeau, acknowledged Quebec's liability for one-quarter of Canada's debt in a 1990 speech. This would be consistent with the stated desire of the separatist government to use the Canadian dollar.

Has the minister sought any public reassurance at this time from the Government of Quebec to the international financial community that it would maintain its full share of Canada's financial obligations regardless of the outcome of the Quebec referendum?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, again the hon. member accurately reflects a citation by the current premier of Quebec that in the event of separation he felt Quebec's share of the national debt should be proportionate to its share of the population, i.e. 25 per cent. That is a position that has also been reflected by a number of the leading separatist leaders.

I think we all understand the tremendous negative consequences that would flow from any kind of break up of the country, in turn leading as well to negotiations over the debt. That is why I reaffirm that it is very clear that what we are dealing with here is not an offer of partnership. It is not some kind of an amiable separation. We are dealing with the rupture of the country.

• (1430)

The fact is this debate is about the future of Canada.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, speaking of the rupture the minister refers to, he will know that during this campaign Mr. Lucien Bouchard, the Leader of the Opposition, has indicated that—

The Speaker: I ask you, colleagues, to please refer to either the riding or the title of a person rather than their name.

Mr. Harper (Calgary West): Thank you for that reminder, Mr. Speaker.

The Leader of the Opposition has indicated during this campaign that Quebec might renege on its share of Canada's debt obligations. Of course a statement like that is not at all consistent with the stated desire of the Government of Quebec to use the Canadian dollar.

Has the Minister of Finance sought to reassure international financial markets that the Leader of the Opposition is not a member of either the Government of Canada or the Government of Quebec and may not speak for either in this regard?

[*Translation*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first, I think the point is a valid one. The Leader of the Opposition will not be speaking for anyone in the event of separation; the Premier of Quebec is Mr. Parizeau. So, clearly, Mr. Bouchard will be out of things.

An hon. member: Name the riding.

Mr. Martin: Ah, yes. No, I did not mention his name.

Mr. Speaker, as regards the use of the Canadian dollar, I think the Leader of the Opposition and the Premier of Quebec have deliberately created an ambiguity. They talk about using the Canadian dollar, and yet, on two occasions—in Ahuntsic, last week, and in Portneuf, six or eight months ago—the Leader of the Opposition said very clearly that the separatists intended giving up the certainty of the Canadian dollar for the uncertainty of the Quebec dollar.

When we ask ourselves where this double talk is coming from, we know very well. Mr. Parizeau wrote in *L'Actualité* that it was simply a ruse, that he intended to favour the Canadian dollar, but that, ultimately, he wanted a Quebec dollar.

* * *

REFERENDUM CAMPAIGN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The desperate appeal by the leader of the no side, Daniel Johnson, to the Prime Minister of Canada addressed not only the distinct society but also Quebec's right of veto and the elimination of duplication and overlap between the federal government and the Government of Quebec. These elements are covered in the document currently being distributed by the no side, via the director general of elections.

Since the joint document has absolutely nothing to say on the question of the right of veto and the elimination of duplication and overlap, can the Minister of Intergovernmental Affairs tell us whether the Prime Minister will give in to Mr. Johnson's plea and make his point of view known to the people of Quebec on these two issues before the 30th?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the official opposition is clearly attempting to cloud the issue; it is spreading ideas that are totally contrary to reality. On the question of a distinct society, the leader of the no committee and the Prime Minister have stated their position very clearly.

In the case of the right to veto, the no manifesto is clear, and the Prime Minister has also indicated that the entire membership of the no side approves. But the problem we are facing now in the referendum is that the official opposition is attempting to make people believe that the referendum is about something other than separation. That is why we must repeat again and again that what the Bloc Quebecois and the Parti Quebecois are attempting to do, what their leaders clearly state as their intention, is to separate Quebec from Canada. There is no other truth, and the opposition's questions are aimed at having Quebecers believe something that does not correspond to reality. The issue is separation.

• (1435)

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the chair of the no committee has been very clear in making this urgent appeal for the Prime Minister to make his point of view known on the distinct society, the right of veto and the elimination of duplication and overlap before October 30, Daniel Johnson has said so himself.

Why does the government persist in concealing its true intentions from Quebecers? What more is there that you want to conceal from Quebecers?

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, unfortunately, when it comes to concealing things from Quebecers, I believe that we have said, and have proof of having said, what was going to happen; it is the members of the opposition who have tried to make Quebecers believe that partnership is possible.

It is the members of the opposition who have tried to make people believe that a large number of Quebecers could retain their Canadian passports. And it is the members of the opposition too who are trying to convince people that it will be possible for Quebecers to keep the Canadian dollar.

I would submit to you, Mr. Speaker, that it is the members of the opposition who are trying to invent stories, tell stories, fairy tales, to the people of Quebec. I repeat, October 30 is about separation. That is what the leaders of the Parti Quebecois and the Bloc Quebecois are saying and it is the truth.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

Armed forces personnel can collect a non–taxable separation expense for a period of up to one year when posted. Documents obtained show that for a three–year period then Major–General Armand Roy collected over $50,000 in non–taxable separation expenses. This is scandalous.

Almost every day I rise in the House and question the minister about the mismanagement of his department. What does the minister have to say about this one today?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, on behalf of the Minister of National Defence, as parliamentary secretary, in response to the question from the hon. member, who spent a lot of time with me as a member of the special joint committee on defence—

Mr. Hermanson: Answer the question.

Mr. Mifflin: I will answer the question if you would listen.

An hon. member: And learn.

Mr. Mifflin: He was very strong and very adamant in saying that mobility in the Canadian forces is a very strong thing. He wants to help morale with these kinds of questions? Give me a break.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, Canadians would hope that this is an isolated incident. Unfortunately, it is not.

Access to information documents show that Rear Admiral Keller, who is currently the chief of financial services at NDHQ, was in receipt of separation expenses for over four years, totalling $86,000. At the same time, able seamen in Esquimalt are in welfare line–ups trying to feed their families.

This is an example of the minister's mismanagement. How can the minister allow this to go on under his nose?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do have to tell members in all honesty that it is very difficult for me to find an answer to this kind of question.

Mr. Mills (Red Deer): There is no answer.

Mr. Mifflin: In order to have an answer, there has to be a question. There has been no question. The hon. member is talking about money paid to senior officers to ensure mobility in the Canadian forces. He signed on as part of his participation—

Mr. Mills (Red Deer): Out of control.

Mr. Mifflin: He signed on as part of supporting mobility. He cannot take his signature away from that report. It is there and it is immutable. It cannot be changed. I used to think he was credible.

* * *

• (1440)

[*Translation*]

REFERENDUM CAMPAIGN

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is directed to the Minister of Intergovernmental Affairs.

Last spring, the Prime Minister mentioned that one of the ways to eliminate duplication by Quebec and Ottawa would be to let Ottawa collect all taxes from Quebecers. Last week, the Minister of Foreign Affairs again suggested this as a way to eliminate duplication.

Could the Minister of Intergovernmental Affairs tell us whether the Prime Minister or the minister himself or his colleagues discussed with Daniel Johnson the approach suggested by the Minister of Foreign Affairs for reducing duplication, in other words, to have all taxes payable by Quebecers collected by the federal government and to close the Travail Québec centres?

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, as far as duplication is concerned, I think what we must consider here is whether both parties are acting in good faith when they want to negotiate agreements to eliminate overlap.

I may point out that before the Parti Quebecois was elected, we had signed twelve agreements with the province of Quebec to eliminate duplication. We have signed a total of 64 such agreements with the other provinces. However, since the Parti Quebecois was elected on September 12, no agreements concerning duplication have been negotiated.

My point is that the Parti Quebecois has shown it did not have the slightest interest in reducing overlap of any kind because, as Mr. Parizeau pointed out, it is not interested in making federalism work. It wants to get out. That is their goal, that is what they want to do, and that is what they are working for.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, would the Minister of Intergovernmental Affairs acknowledge that the last federal proposal on eliminating duplication and overlap was an agreement on manpower which was turned down by Daniel Johnson, the Premier at the time, and by the present Minister of Labour, who both called this agreement unsatisfactory?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, what the Quebec Minister of Labour called the agreement does not alter the facts.

The facts are that the federal government offered to transfer to the provinces, including the province of Quebec, all spending on educational institutions in the provinces, including both programs and money. The province of Quebec turned down this offer and in my opinion proved once again they did not want to negotiate any accommodation with the federal government.

We are prepared to make certain accommodations, but they are only interested in separation.

[*English*]

CANDU REACTORS

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, this government has a long history of using tax dollars to fund megaprojects that end up costing us billions. Petro–Canada is just one example.

Now the Chinese premier has visited Canada and walked away with another megaproject deal. The government is planning to use the Canada account to finance Atomic Energy's sale of two CANDU reactors to China.

Does the government not realize it is broke? Does it not realize Canada cannot afford to finance a dime, never mind several billion dollars worth of taxpayers' money on this sale?

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 take pride in export sales of Canadian technologies. These sales are done on a basis that will provide the maximum amount of returns to the Canadian public. I can assure the hon. member this will be the case here.

The Chinese market, I do not need to remind anybody, is a very important market and is one that is growing at considerable length. It is important that this country establish itself.

On the first point regarding Petro–Canada, thanks to the minister of energy and mines we have completed the most successful privatization of almost any western country in the past decade.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I think they gave it away.

My supplemental is to the Minister of Natural Resources, since that is who was quoted here. I quote that minister even further: "The Canadian government will no longer be in the business of negotiating massive support packages for energy megaprojects". If we are not subsidizing megaprojects at home any more, why are we considering doing it overseas where the risk to the taxpayer is even greater?

• (1445)

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me point out to the hon. member that export financing is a normal part of doing business in this country and in most other countries.

As the Minister of Finance has pointed out in relation to Candu technology, we have technology which is second to none in the world. We want that technology to help solve the energy problems of nations such as China. If we are going to compete with other nations in relation to that technology, it is important to provide export financing.

[*Translation*]

REFERENDUM CAMPAIGN

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Last week, the deputy chair of the no committee, Ms. Liza Frulla, demanded that Ottawa withdraw completely from the area of culture, declaring that Ottawa had no business interfering in this area of exclusive Quebec jurisdiction.

Can the Minister of Intergovernmental Affairs tell us whether it is his feeling that, in the field of culture as in the other questions raised by Daniel Johnson, Quebecers will be given no response before October 30?

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 of the questions by the Official Opposition are along the same lines and our response is that the federation, that Canada, has been very flexible in the past.

It has allowed the province of Quebec, like the other provinces, to acquire a considerable amount of power, even spending power. In the sixties, the federal government had around 60 per cent of the spending power, and now it is the provinces and municipalities which have more than that 60 per cent.

The immigration agreement is one that was signed without any constitutional amendment. It is totally possible to settle the problems that exist without constitutional amendments. And if I may remind the Opposition of one final point, it is they who refused to allow Quebec the decentralization contained in the Charlottetown Accord, while the Prime Minister approved it.

Mrs. Pierrette Venne (Saint–Hubert, BQ): A supplementary question, Mr. Speaker.

How can the Minister of Intergovernmental Affairs expect the people of Quebec to think that there would be a place for Quebec in his Canada after a no in the referendum, when we are familiar with the points of view of his Prime Minister's best buddies, Clyde Wells and Roy Romanow, and when we know that his Prime Minister systematically refuses to give any hope whatsoever and any response whatsoever to the pleadings of his allies on the no side?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there has always been a place in my heart, in my soul, in my intellect, for Quebec as a part of Canada, because it is within Canada that Quebec succeeded in developing the world's best standard of living.

It is within Canada that Quebec and the people of Quebec have succeeded in attaining a level of democracy unequalled anywhere in the world. In what country in the world could there be a leader of the opposition with the right to speak out in the House on what he sees as the future of Canada as an entity?

I am proud to belong to a country with such democratic values. I am proud to belong to a country which values sharing as Canada does. I am proud to belong to a country which redistributes the wealth of advantaged provinces to the least advantaged. And for these reasons, the men and women of Quebec will vote no in the referendum on October 30.

* * *

[*English*]

HEALTH CARE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the health care system is a source of great pride for Canadians all across the country. It is an important component of our nation's identity. The constituents of Bramalea—Gore—Malton and indeed all Canadians are worried that their health care benefits may be reduced or eliminated.

• (1450)

Will the health minister assure Canadians that the basic principles of the health care system will never be abandoned by this government?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, during the last election, this party committed to preserve the universal medicare system which all Canadians enjoy. We said we would also preserve the five principles of the Canada Health Act, but that we would work as active partners in order to make our health care system more efficient and more effective to address changing realities.

We also said that we would not support a system which offered better quality or faster access for rich Canadians versus the rest of Canadians. We have acted on this. That is what the October 15 deadline was all about. Canadians from coast to coast, wherever they live can rest assured that this government will continue to protect and enhance our health care system.

* * *

GASOLINE ADDITIVES

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of Industry.

The minister has stated before in the House that he supports uniformity of gasoline standards between Canada and the United States. As the minister is aware, this past Friday the U.S. Court of Appeals ruled in favour of Ethyl Corporation to sell the gasoline additive MMT in the U.S. This is the same substance this government wants to ban.

Will the minister admit that in view of the U.S. decision this government has no reason to ban MMT in Canadian gasoline, a substance that makes cars run cleaner?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am sure the hon. member has a relatively recent model of motor vehicle. Mine is rather old. He should know that all the motor vehicle manufacturers, North American as well as Japanese have told us that the diagnostic systems in the new vehicles are put at risk by MMT. Consequently, warranties will not be respected by the manufacturers where MMT is used in the fuel.

This is the purpose of the gasoline. That is why it is made. That is what it is used for. Surely to goodness the hon. member would like to ensure that the industry has the opportunity to respond if indeed the determination in the U.S. continues to hold. In fact, at this time MMT is not available in fuel in the United States.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, Reform has long pushed this government to conduct independent scientific tests on MMT, yet our view is scoffed at. Legislation to ban is now known not to have been based on good science at all. Obviously, the decision was politically partisan rather than to help the environment.

Will the Minister of Industry admit that Reform was right all along? Will he admit that there should have been independent tests before trying to ban it, a ban that now appears to be completely useless in view of the minister's harmonization goals?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I do not know where the hon. member stands except awfully close to the petroleum companies on this particular issue.

I can tell him where we stand. We stand with the consumers. We stand with the people who are purchasing the vehicles that are using the fuel. We stand with the people who are looking to have their warranties respected. We need to have standards that are consistent north and south of the border. They are not right; they are wrong. Let them talk to the makers of the vehicles.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. Last week he said that federal buildings in the Outaouais area and elsewhere in Quebec would remain federal property until negotiations on them were concluded.

• (1455)

Will the Minister of Intergovernmental Affairs acknowledge as well that common sense and reason along with the rules and practices of international law in the matter of state succession provide very clearly that, when sovereignty is proclaimed, all of the assets of the federal government located on Quebec territory automatically become the property of Quebec?

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 see the opposition is opinionated, not to mention hard of hearing. This is the sort of question that makes it hard to concentrate on the goal of the referendum. The goal of the referendum is as follows: "Do you want to separate from Canada?" This is the question. All the rest are hypothetical questions, which have no bearing.

In the present matter, once again, we must not get carried away with marginal issues. What those of us on the no side want is for Quebecers to remain in the federation, because it is in their interest and in Canadians' interest for them to do so and this is why we are going to vote no.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I would point out to the minister that we are talking about what he said himself. So if there is a diversion, he is the cause of it.

As Quebec has paid for over 20 per cent of all federal assets in the rest of Canada and abroad, will the Minister of Intergovernmental Affairs acknowledge that Quebec will be entitled as well to its share in the ownership of these other federal assets and this is why Canada will hasten to negotiate a quick and equitable division the day after the referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the statement I made is true, it speaks for itself and it stands. What is important is that, in the last week of the referendum, we can no longer divert Quebecers' attention onto such matters, we must concentrate on the basic issue, because a third of the voters in Quebec still believe they will continue to remain in Canada, even if they say yes. This is wrong. Quebecers must know the truth, and the truth is that separation will mean they can no longer live in Canada.

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, Robert Heinrich, the committee chair of federal affairs for the Liberal Association of Saskatchewan, was my opponent in the last federal election. Guess what? He has been appointed to the National Parole Board. On a daily basis, that is more lucrative work than being an MP. It pays to be a loser if you are a Liberal.

Can the solicitor general describe to the House the rigorous selection and screening process used to assess the qualifications of appointees to these plum positions?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the position was the subject of a public advertisement. Candidates submitted applications. The applications were reviewed by the chair of the parole board who carried out an interview process and made recommendations. It was on the basis of competence and merit that the decision was made.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, at least there is consistency here. A few months ago, Mr. Heinrich's campaign manager received her reward. She was appointed to the board of the Farm Credit Corporation.

My question is for anybody over there who feels competent to answer it. After all the defeated Liberal candidates and all of their campaign managers have received their lollies, what is going to be done for all of those hardworking Liberals who handed out—

The Speaker: The hon. member for Edmonton East.

* * *

HUMAN RIGHTS

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

All Canadians value our well earned reputation throughout the world for being a nation with a deep respect for human rights. Canadians continue to be concerned about the human rights situation in Mexico, our NAFTA partner.

• (1500)

Can the minister tell us how the government is responding to those concerns?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for giving me advance notice of her question.

Some hon. members: Oh, oh.

Speaker's Ruling

Mr. Ouellet: There is some courtesy in Parliament sometimes. I certainly appreciate this. If other members want to do the same thing I will gladly accept their advance questions.

The human rights president of Mexico, Jorge Madrazo, was in Ottawa some time ago. He met with the Canadian human rights commissioner. They have agreed to exchange information, to work together and to co–operate on a very wide variety of programs which will certainly go a long way in helping Mexico to cope with its situation.

In his discussions with me Mr. Madrazo has indicated that he is quite pleased with the co–operation he is receiving from his government and hopes to see progress in this regard in the near future.

* * *

STATUS OF WOMEN

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is addressed to the Minister of Finance.

At the recent Beijing conference the government committed itself to implementing gender based analysis throughout federal departments and agencies. The need for this analysis is to determine the different social and economic impacts that government policies will have on women and men.

Will his department ensure that full gender based studies in matters relating to his next budget will be undertaken and tabled in the House when the next budget is delivered?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as indicated by the hon. member, the Secretary of State for the Status of Women unveiled a new policy on gender analysis which was very highly applauded by all of the countries that were there.

In the past, individual budget decisions have been studied for their impact on women. It is therefore a major step forward that now each and every government department must look within its own decision making process to make sure no decisions are taken that are hostile to women. It is the view of the government that all decisions taken should be to their benefit.

The Speaker: This brings question period to a close.

* * *

POINTS OF ORDER

BILL C–106—SPEAKER'S RULING

The Speaker: This morning the hon. member for Nanaimo—Cowichan rose on a point of order relating to Standing Order 45 and the timing of the deferred vote scheduled for 5.30 p.m. this day.

His argument is that this vote should have been scheduled for 6.30 p.m., pursuant to Standing Order 45(6)(a), when a vote is deferred on a Thursday.

The hon. parliamentary secretary to the government House leader counter–argued that Standing Order 45(5)(a)(ii) allows the chief government whip to designate another time than the ordinary hour of adjournment so long as he does not set the vote down for a Friday.

I have reviewed the matter and find that the wording of Standing Order 45(6)(a) is very specific. It reads as follows:

> A division deferred on Thursday is not held on Friday, but is instead deferred to the next sitting day, at the ordinary hour of daily adjournment.

Because of this very specific wording I can only conclude that the hon. member for Nanaimo—Cowichan has a point. Standing Order 45(6)(a) clearly states what is to happen when a deferral of a division is requested on a Thursday and a Friday.

The hon. parliamentary secretary to the government House leader did allude to a possible incongruity between the two standing orders. He may wish to pursue that aspect with the committee that he so ably chairs.

• (1505)

For now, and until the House changes the wording of the standing orders, requests by a single whip, acting alone, for the deferral of a division on a Thursday will be automatically set down at the ordinary hour of adjournment on the next sitting day that is not a Friday.

QUESTION PERIOD

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I rise on a point of order with regard to the question put by my hon. colleague from Swift Current—Maple Creek—Assiniboia. I raise it under citation 485 of Beauchesne. I ask whether you ruled his question out of order on the basis of—

The Speaker: I ruled the question out of order and that is why I never permitted an answer for it. I found that the question was just not in keeping with the administrative responsibilities of anyone identifiable. I found that it was a matter of what was going on in the party and that does not include what we do here in the House for answers from ministers.

I would like to let that matter sit right there.

QUESTION PERIOD

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, is it appropriate to ask for clarification of a ruling by the Chair? Can a member ask a question for clarification purposes only with regard to a ruling and not on the basis of challenging the Speaker? I certainly understand that rule in Beauchesne, but for clarification cannot a point of order be raised?

The Speaker: Hon. members collectively have empowered me as the Speaker to make decisions on what will be in order or out of order in question period. I take this responsibility very seriously.

The hon. member has asked if he can rise on a point of clarification. If an hon. member wants clarification I will be very happy to speak with him or her in my chambers. I find that I am being asked more and more for clarification of decisions that I have taken in the course of question period. I hope that most members feel that the decisions I take are taken in the best interests of the House.

With regard to the points that come up I beg that you give me latitude so I can carry out question period in a judicious manner. Of course a point of clarification can be raised but many times when a point is raised I am led into hypothetical cases which could be misinterpreted.

Therefore, if members will agree, I would prefer that if you have points to be clarified about a particular decision I will be happy to speak to you in my chambers about it. When we keep having these discussions come up time and time again I feel that what is being questioned, not necessarily in this case but in some instances, is the decision itself. I hope you would give me enough room to make those decisions.

BILL C-106

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, this is in reference to the decision made by the Speaker with regard to the vote tonight.

For the benefit of all members, some who may not have been physically in the Chamber at the time of Mr. Speaker's ruling, I take it that the vote for today only, without creating a precedent, will remain at 5.30 p.m. Perhaps Mr. Speaker can indicate that.

• (1510)

Second, there has been informal consultation between the Reform Party whip and myself to bring the matter as per the Speaker's suggestion to the procedure and House affairs committee in order to attempt to make more uniform the rules as they apply to every single day of the week rather than the ambiguity which some could perceive as being in the rules at the present time.

The Speaker: My colleague, it is my understanding that if the whips of the major parties agree that the vote will be at 5.30, which I presume is the agreement reached, I do not have to ask for unanimous consent of the House.

I see the three whips in front of me now and there is no question but that the vote is going to be at 5.30 and that is so ordered.

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 seven petitions.

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[*English*]

MOTION NO. 383

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, through you I seek the unanimous consent of the House for me to withdraw my private members' Motion No. 383, now in the order of precedence, on the subject of cigarette lighters and the Hazardous Products Act. The government has already taken the action intended by my private motion since it was tabled last February 6.

The Speaker: Is that agreed?

Some hon. members: Agreed.

(Motion withdrawn.)

* * *

PETITIONS

GOVERNMENT CONTRACTS

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, pursuant to Standing order 36, I am pleased to present on behalf of over 100 signators from the the riding of Fredericton—York—Sunbury a petition which deals specifically with the proposal from the interdepartmental committee on household goods to remove services and change the way the federal government purchases moving services by offering all federal government moves to one carrier.

The petitioners pray and call on Parliament to direct the interdepartmental committee to drop the proposal and to work directly with the Canadian moving industry to develop other alternatives to reduce federal expenditures.

CRIMINAL CODE

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I present to the House a petition on behalf of our young children. It is a petition signed by 65,000 people. The petitioners ask the House to amend the Criminal Code to prohibit pardons for those convicted of sex offences against children.

They also ask that the Criminal Code be amended to prohibit for life all those convicted of sexual offences against children from holding responsible positions of trust and or great responsibility regarding children.

I ask the House to take seriously a petition from 65,000 citizens from British Columbia.

INCOME TAX

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. The petition has been signed by a number of Canadians in Calgary, Alberta.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

CRIMINAL CODE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, considering the very unfortunate events that have taken place on the lower mainland relative to the murder of a young lady and other events relating to that, it is very timely that I received in my office today a petition to return the rights to the citizens from criminals.

• (1515)

Some of the points refer to keeping dangerous sex offenders and pedophiles locked up for life, eliminating statutory release and imposing stiffer sentences for violent offenders.

NATIONAL DEFENCE

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have a petition to present on behalf of my constituents.

It has been traditional that the Government of Canada divide the national defence related furniture moving business among local independent movers on an equitable basis, which policy has provided excellent service at reasonable rates.

The petitioners pray and call upon Parliament to resolve to veto any proposed change to the present tendering process of the Department of National Defence and to support the present system of tendering.

MERCHANT NAVY

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I rise to present a petition on behalf of Surrey North constituents and other Canadians. There are about 400 signatures.

The constituents draw attention to the record of the merchant navy in World War II as the fourth arm of the armed forces and call upon the government for benefits similar to those enjoyed by veterans.

It is also my hope that the government will follow through on its commitment to recognize veteran merchant seamen who were put in harm's way due to the war.

FORESTS

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I have two sets of petitions to present. The first group of petitioners, some 63 of them, is saying that the cutting of old growth forests diminishes the national diversity of our environment, our country, our culture and our people.

The petitioners request that Parliament order an immediate moratorium on the cutting of old growth forest reserves to promote the policy internationally.

JOB EXPERIENCE

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, the second petition is from 94 petitioners who say that job experience is a vital part of an individual's education and that we need to positively influence all aspects of business potential.

Therefore the petitioners request that Parliament increase the co–operative aspect between productive business enterprises and education systems.

HIGH RISK OFFENDERS

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have before me a petition that has been signed by 424 people.

These people are very concerned that high risk offenders upon their release from prison are more and more frequently committing crimes that result in serious personal injury.

The petitioners believe that there would be fewer such incidents if Parliament would enact legislation permitting the use of post–sentence detention orders. Specifically the petitioners request that Parliament pass Bill C–240 dealing with high risk offenders.

YOUNG OFFENDERS ACT

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions to present, two of which concern the Young Offenders Act.

The first one was motivated by the sad death of Vivi Leimonis or Georgina Leimonis. The petitioners request that Parliament recognize and address the concerns stated in the petition and

amend the Criminal Code of Canada and the Young Offenders Act accordingly, providing heavier penalties for those convicted of violent crime. Police departments must also be provided with adequate funds to ensure the safety and security of the public.

The second petition was occasioned by the violent death in my riding of Mr. Louis Ambas and the petitioners are primarily from my riding.

They pray and request that Parliament amend the Young Offenders Act to provide that young offenders charged with murder be automatically tried in adult court; that, if convicted, they be sentenced as adults; and that their identity not be hidden from the public.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, my final petition is signed by people from all across Canada but primarily from British Columbia.

It calls upon Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRITISH COLUMBIA TREATY COMMISSION ACT

The House resumed consideration of the motion that Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission, be read the second time and referred to a committee.

The Speaker: The member for Edmonton East has the floor and has 17 minutes left.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I rose today in support of Bill C–107 respecting the British Columbia Treaty Commission and the process that has been developed in treaty making in British Columbia which included, specifically, third party consultations.

• (1520)

The process aspect of treaty negotiations has received considerable attention from TNAC members. Their demands for a more open negotiation process and less stringent confidentiality requirements have really stimulated media interest and some public criticism. The government has responded by removing TNAC confidentiality requirements. This has improved the members' capacity to consult with and to represent their organizations more effectively.

The provincial minister of aboriginal affairs, the hon. John Cashore, attends most of TNAC meetings and the federal minister has met with TNAC on four occasions including most meetings held so far in 1995. The member of Parliament for Vancouver East has agreed to be the personal representative of the Minister of Indian Affairs and Northern Development to TNAC. However I will take this opportunity to introduce members of the House to some of the people participating in the treaty negotiation advisory committee and to the TNAC group.

The key treaty negotiation advisory committee member is Michael Hunter. He is a representative of the Fisheries Council of B.C. He has significant government experience as part of the federal team that negotiated the 1985 Canada–U.S. Pacific Salmon Treaty. He is a former employee of the Department of Fisheries and Oceans and has been on the fisheries council for about nine years. He has served on numerous fisheries advisory committees as well as on international trade consultations. His organization, made up of the major fish processing companies, is most concerned with ensuring that claims settlements do not create more problems for the B.C. commercial fishing industry.

Paddy Greene is a lifelong commercial salmon fisherman from Prince Rupert. Mr. Greene has also been actively involved in the advisory processes of the DFO on fish allocation and fisheries management. He has served as commissioner on the Canada–U.S. Pacific Salmon Commission and was recently manager of the Prince Rupert Fishermen's Co–op. He sits as the northern representative on TNAC and chairs the fisheries committee. He has been most concerned about the implementation of the DFO's aboriginal fisheries strategy and legal sale of aboriginal fish food.

Dennis Brown is a representative of the United Fishermen and Allied Workers' Union. Mr. Brown has risen through the ranks of the union, serving in various capacities including Fraser River organizer before becoming an executive member. He has worked effectively on easing tensions between commercial fishermen and recent Vietnamese entrants. The UFAWU includes both harvesters and plant workers, many of whom are native people. The union is most concerned about job losses in an already downsized industry. He will point to the many aboriginal plant workers and commercial harvesters as examples of how to create and maintain job opportunities for natives.

Guy Rose is a representative of the British Columbia Cattlemen's Association. Mr. Rose's family has been in the business for three generations. Usually soft spoken, he is concerned by the apparent lack of understanding some politicians have displayed concerning the impact of claims policies on third parties. He perceives that the general population is concerned by the generous benefits that may be provided. His group's main concern, however, will be continued access to provincial crown land at reasonable cost for grazing needs.

Susan Anderson, although designated as the alternate for the B.C. Federation of Labour, has attended almost all committee meetings on behalf of the president, Mr. Ken Georgetti of the B.C. Federation of Labour, and is a historic supporter of native rights. Ms. Anderson has referred frequently to the need for better compensation and adjustment programs for those industries and workers affected by claims agreements.

Bill Wimpney is a representative of the B.C. Wildlife Federation and is outspoken and direct. He is usually constructive and well prepared. He is continually mindful of the BCWF members' interests. He also chairs the wildlife sectoral advisory committee. The BCWF represents about 40,000 anglers, hunters and outdoor admirers throughout B.C. Mr. Wimpney has worked on preparing a statement on his organization's position on native issues and some bottom lines his members expect in negotiations. These relate specifically to access, endangered species protection and jurisdiction.

Marlie Beets is the vice–president of aboriginal affairs with the Council of Forest Industries and the former alternate for the Cariboo Lumber Manufacturers' Association. She is from Williams Lake and has been associated with the forestry industry for many years. COFI is most concerned about the further loss of harvestable timber resources and has indicated that minimum land transfers balanced with a larger cash component would be preferable.

• (1525)

Lloyd Whyte represents the interior forest industry coalition, an umbrella group for the three interior forestry organizations. He has been concerned about the cost sharing formula between Canada and B.C. and believes it will provide more land to native people in the interior than on the coast. He also chairs the lands and forest committee on which he sits as representative for the Cariboo Lumber Manufacturers' Association.

Ken Sumanik is the representative of the Mining Association of B.C. He was the chair of the energy, mines and petroleum resources committee. His organization represents large mining and exploration operators in B.C. They have indicated they are facing serious economic difficulties due to commodity prices and environmental standards. The industry is most concerned that claim settlements not impede its ability to explore efficiently developed mineral deposits. It is not so much concerned about to whom royalties are paid as long as the opportunity remains to explore and develop B.C.'s mineral and petroleum resources.

Jerry Lampert is president of the B.C. Business Council. He recently stepped down as the organization's designated representative but usually attends agenda items involving the ministers. He was appointed by the B.C. Business Council when the respected James Matkin stepped down. Representing a large, diverse group of major private sector corporations, the business council acts mainly as a group to lobby governments. It will be most concerned with ensuring ministerial participation in TNAC meetings as the best means of ensuring its views are heard by the decision makers. The council also seeks to minimize the impact of settlements on B.C. employers by ensuring that the cost of treaty settlements does not add to the tax burden of businesses.

Dick McMaster is the representative of the Fishing Resort Operators Association and the Council of Tourist Associations. Mr. McMaster speaks for a growing sector in the B.C. economy. Many of the areas seen as ideal for tourism and recreation are also priority areas for many claimant groups. Tourism and sport fishing operators will seek to ensure their continued access to and use of those areas. This includes freshwater fishing and wilderness enjoyment. Mr. McMaster has been an active member of the committee and frequently participates in committee discussions.

At a March 1994 meeting he stated:

> The more economic effort natives are involved in now, the less there will be the pressure for more land and cash when treaties are settled.

Although Richard Taylor is an alderman for the Union of British Columbia Municipalities he chairs the governance sectoral advisory committee. He chaired the early negotiations with the government to establish and define a joint third party consultation process. He has promoted the UBCM position on the need for local governments to be represented or present at the treaty negotiation table.

These are very respected British Columbians. The Government of Canada appreciates the time they have taken from their very busy schedules to participate in this very meaningful and important consultation process.

The job before these people is a great one. They carry the responsibility of representing vast interests of B.C.'s economy. They are building economic well–being not only for the immediate generation but for generations to come. They carry the responsibility of representing the vast interests of B.C.'s industry. TNAC is an integral part of the process. TNAC will develop positive, realistic and fair recommendations to enhance the negotiations.

The long term success of the process lies with the partners of the process. We need to encourage and congratulate all those who will participate.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, as I listened to my colleague from Edmonton East I could not help but get a sense of one reason the bill was going through the House so quickly and with so much co–operation. Obviously it is because of the tremendous team that has been put in place and the co–operation the team is bringing to the table not only in the sectors of tourism, mining, forestry, et cetera, but in all levels of government.

• (1530)

My community, which is downtown Toronto, is going through a very difficult time. The brotherhood of carpenters and joiners, the drywall lathing and installation workers, a very large union of about 2,800 members, has been on strike on and off since June and has voted recently to go on strike. Less than 1,000 members decided this. At a time when our economy needs to be working at full throttle we have in Toronto a situation in which the leadership and the various principals cannot seem to co–operate. The people who are affected by this, the thousands, are suffering.

Yet here in western Canada we see a beautiful example of all levels of government coming together. All the principal stakeholders and all the various sectors of the economy have come together. We see that a piece of legislation goes through the House in no time flat. The community in western Canada and ultimately all Canadians will be the beneficiaries.

I appeal to the leadership of that very strong union in my city to use this example in British Columbia as a possible model on how to get all of those people back to work in Toronto.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I am very pleased to participate in the debate on second reading of Bill C–107 regarding the establishment of the British Columbia Treaty Commission.

The negotiation of treaties offers Canadians a chance to look at the issue not only from a historical perspective but also from a modern reality. The tabling of this legislation on the British Columbia Treaty Commission gives us an opportunity to discuss the implications and the importance of treaty negotiations in B.C.

Members from British Columbia, including my hon. colleague, the Minister of National Revenue, understand only too well the importance of these negotiations. The history of British Columbia and the various interests speak for a process, in a sense beg for a process such as this.

This legislation reflects not only how current treaty negotiations are done but how critical they are. The situation we have today regarding negotiations is much different than when the numbered treaties on the prairies were settled. It bears discussion on the kind of relationship aboriginal people across the country have with their treaties.

I stand in the House of Commons as a representative of the Government of Canada and as an elected member for my constituents. I stand here also as someone whose whole life has essentially evolved around the whole issue of treaties in terms of the kinds of inalienable rights that aboriginal people have discussed, debated and put on their priority list throughout the years of discussing the Constitution and land settlements. The treaties have always arisen as a major priority.

If people have a sense of passion, a sense of direction and vision about their interpretation of the treaties, it comes from the fact that it is a much analysed subject but also very personal. My grandfather who is a chief, Zaul Blondin, was a signatory to Treaty 11. In that signatory I see many things not just for me but for the future of my people. In relation to British Columbia I can see the same kind of intent, the same kind of compassion, passion, dedication and determination about the process when it relates to not just one group but all of the groups. My frame of reference is from my experience. My experience is from the perspective of the First Nations.

• (1535)

I know the numbered treaties for the First Nations I referred to in my area, 8 and 11 in the Northwest Territories, set a very interesting perspective for the future of a people; the Dene people guided by these two treaties, the language itself, the immense vision by the people who signed those treaties, the people who had the vision. It was not colloquial. It was not parochial. It was not odd and simple. It was very visionary.

This language, as long as the grass grows, as long as the sun shines, as long as the rivers flow and as long as this land shall last, are not just words. They have given the opportunity for aboriginal young people to have post–secondary education. They have given the opportunity for people of aboriginal descent, no matter where they live and who are treaty, to have accorded to them the appropriate health programs and services to deal with taxation issues, health issues, hunting and fishing rights and related issues and issues still debated like housing. Those issues are being constantly debated.

The numbered treaties in the prairies were signed in advance of settlement. The government of the day sought to ensure that certainty and title were confirmed before Europeans settled in what are now Manitoba, Saskatchewan and Alberta. Although certainty was the intention, the issue is yet much debated, the treaty is much debated, and most of the results are as of yet lacking definition or implementation and are not at all conclusive. That also begs for a process and hence we have the British Columbia one.

There needs to be certainty. There needs to be very clearly spelled out the future for aboriginal people. I have a document called "Sovereign Injustice—the Forcible Inclusion of the James Bay Crees and Cree Territory into a Sovereign Quebec". On page 5 it talks about the unilateral alteration of aboriginal treaties:

Existing land claims treaties provide for a permanent federalist arrangement and include federal and Quebec governments (as well as aboriginal peoples) as parties. How can the PQ government claim it would be legal or legitimate for a secessionist Quebec to unilaterally alter existing treaties with aboriginal peoples in Quebec? On what basis could Quebec claim it can simply take over existing federal treaty obligations and unilaterally determine that the Canadian government would no longer be a party to the treaties concerned?

That question has a lot to do with certainty. Aboriginal people feel this is their homeland. They have an inalienable right, as my colleague from Churchill indicated earlier on in debate, that aboriginal people feel they have an inalienable right to this country. They cannot be separated from this country because it was the creator who put them here. They did not come from somewhere else.

Treaties have a number of interpretations, some very spiritual. It is not only legal analysis, it is also a spiritual commitment, a spiritual determination that the aboriginal people have that relationship with treaties.

In British Columbia the situation was much different. Certainty over the land question was never resolved prior to settlement. As a result we are now dealing with a situation that presents challenges that did not exist at the time the early treaties were concluded. Much development has occurred in British Columbia. There has not always been that attempt for partnership.

In Canada and in the world there are no entities unto themselves that feel they can exist without partnership.

• (1540)

Aboriginal communities understand with good measure what there is to be gained from those partnerships and of working together with other groups which is happening across the country, including in British Columbia, in the Queen Charlotte Islands. In the Haida Gwaii we have the first ever bicultural model, a Haida Gwaii trust. This is a trust fund between non–aboriginal and aboriginal people that resulted from an arrangement that came about with the federal government, the provinces, industry, as well as the aboriginal peoples themselves.

These things can happen but they are not easy. No one will tell anyone familiar with the negotiation process that it is simple or easy. It is not. However it is necessary. It is necessary to go through rough waters. It is necessary to have a dialogue that is challenging.

One of these challenges is the need for the government to represent third party and public interest at the treaty table. Let me put it this way. Those third party interests in terms of the treaty negotiation advisory committee are well represented. The list was read previously by the member for Edmonton East. It explained there is representation and fairness there. There is nothing secretive or conspiratorial. It is an open process and very transparent.

Canada recognizes the need to consult with third parties and to provide information to the public if treaties are to be lasting and beneficial for all Canadians. Some of my colleagues and I have spoken on a number of occasions about the importance of an open treaty negotiation process. How can we best as a government address the challenges in the areas of taxation, health, education, justice, policing, hunting and fishing rights, to name a few, in a global sense without a proper process?

This year this negotiation process will lend to and aid this whole situation. Nevertheless, many people continue to falsely believe the treaty process in British Columbia is secretive, conspiratorial, that the whole truth is not being told and that a special deal is being made. This is not the case. This belief has been fostered by a lack of awareness, understanding, compassion and sensitivity. If those people were as informed as they should be this would not be the case.

Information is a great enlightener. It pays to read and it pays to go to the source to negotiate to be with those people. Go to the source and meet with those people. That is what this country is all about.

The negotiation of treaty under the auspices of the British Columbia Treaty Commission process is not one based on backroom deals or secrets. The treaty process has never been as open and as transparent as it is in British Columbia today.

In B.C. we have set in place a province–wide treaty negotiation advisory committee made up of 31 organizations representing major economic sectors in that province. There was a time when this group operated under confidentiality rules. This is not uncommon. It happens when people are dealing with issues they feel deserve that kind of arrangement.

Today, however, when providing advice to the government on treaties being negotiated under the B.C. Treaty Commission an openness protocol is at work. Many of the recent TNAC sessions have had and will likely continue to have media present. How much more open can it be?

On local and regional levels negotiators meet regularly with regional and local advisory committees to discuss the topics being addressed at the treaty table. Of course this is part of the consultation process and allows public and third party interests direct access to the negotiators. That accessibility is one way of demonstrating to people that there is not any kind of conspiracy or a cover–up. It is a partnership.

As far as actual treaty table talks, one of the items to be initially discussed during the readiness stage is the procedural document referred to as the openness protocol.

• (1545)

These openness protocols have been agreed upon by the three parties at the table, the federal and provincial governments and the First Nations. Many of the treaty table members of the public and third party advisory committees can, if they so desire, attend and observe main table negotiation sessions. So it is open and people are welcome to attend.

I know of one instance, the Sechelt treaty negotiations, where negotiation sessions are videotaped and replayed on the local cable station. I cannot imagine a more open process than that. I was in Sechelt in my previous incarnation, if I might, as the critic for the aboriginal portfolio for the Liberal Party. Their process on self–government, which is renowned throughout Canada and the world, has also been very open. The Sechelt people do not have anything to hide. They have a lot to be proud of and a lot to share, and they do.

I assure members the public has not been shut out of the process; rather, it has been invited in and encouraged to attend. We are well aware the treaty process cannot happen in a vacuum. The public and third parties need to know about and be involved in the process. We encourage their input and involvement.

This is a fairer process, much more acceptable than the kind of imposing process previously engaged in. Now it tends to be more of a partnership, one of equality. Maybe that is what is so objectionable to some.

There are many threads the negotiation teams need to weave together for the modern treaty process to work, including representing the Canadian public and federal government at the treaty table, balancing effective negotiations with openness, ensuring the consultation process is an accountable one, and providing the public and media with timely information. Under the B.C. Treaty Commission process all of these threads are coming together. We are only at the beginning of the process, but we are moving toward strengthening the social, economic, and legal fabric of British Columbia with regard to land claims.

In Canada the treaty process has a past that forms an integral part of our history. It has a present. Many of us here in the House of Commons have seen the passage of modern treaties, as in the James Bay and Northern Quebec Agreement and the Inuvialuit Final Agreement. It has a future through the passage of legislation establishing the B.C. Treaty Commission and the negotiation and settlement of treaties under its auspices. That is why I am here today, to help usher in Bill C–107 and to ensure the job of treaty negotiations can continue in the province of B.C. so these negotiations can ultimately reach a successful conclusion.

Treaty making is a world known process. Treaty making is done between nations. Treaty making is done between various groups. It is an honourable process. It is not a process that begs criticism or any kind of misunderstanding. It is an honourable process. It is a process that will allow partnerships to develop. It is generally a process of honour that when you have made a treaty it will help to deal with some of the tougher questions governments have to deal with. It solidifies for governments, for communities, for peoples the programs and services. The arrangements that are made become clearer. They should, anyway.

In the myriad of claims and the whole conglomeration of land questions regarding title in British Columbia, with the whole issue of hunting and fishing, fishing rights and the Sparrow case, let us hope this process will lend some clarity, some definition, some partnership that will allow these groups to come to some conclusion and reach some of the results that have long been sought after and long wanted.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I believe I have two questions for the hon. member. One is in relation to the time element here.

• (1550)

We know this process has been going on for a considerable amount of time. The only reference I noted concerning time, which I believe was in the agreement of September 22, which this bill is based on, was in relation to funding, where it said "the first five years". Does the hon. member foresee this as a long, ongoing process again, or do we have a five–year or ten–year objective here?

My second question relates to the bill. I think clause 3 says the commission will assess the readiness of the principals to participate in the negotiations. What kind of authority does the word assessment mean? Does it mean it will assess and advise the principals that they are ready or not ready, or that it will assess and tell the principals that they can or cannot negotiate?

Ms. Blondin–Andrew: Mr. Speaker, on the whole issue of time, the only answer I can give is what has been prescribed in the working documents of the bill. I believe the member mentioned five years. For instance, Treaty 11 goes back to 1921.

Each treaty has a life of its own. We should say that the B.C. Treaty Commission has been set up to facilitate the negotiation of modern treaties in B.C. Once the process is completed the B.C. Treaty Commission will no longer be required. The B.C. Treaty Commission agreement states that the principals, Canada, B.C., and First Nations Summit, "shall terminate the BCT upon completion of their duties under their agreement or where BCT is no longer performing its duties". It is based on whether it is able to complete its work or not. Once its mission is completed, then as a mechanism the commission will essentially be disbanded.

The member talked about the authority. I do not have the answer to that. I can take it under advisement. I am sure the appropriate departmental officials are watching and will be able to get back to the member with an answer.

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, it is a pleasure to speak in this debate on Bill C–107, following the member for Western Arctic. She has referred to her grandfather, a signer of Treaty 11 in the early 1920s, and talked of the passion, vision, and wisdom of the men who signed that treaty. I can tell the House and those watching the debate today that those qualities are very much in evidence in the granddaughter, in our hon. friend the member for Western Arctic. I would like to pay tribute to her as my colleague in the House, in caucus, and in cabinet for the qualities she brings to issues such as this. She contributes so much to assist us in our deliberations. It is indeed a pleasure to speak following her in the debate.

The events this summer in British Columbia and in Ontario have made all members of the House painfully aware of the tension in native communities across Canada. This is the result of years of injustice and poverty. This government is resolved to overcome these problems through the new partnership it envisages with Canada's First Nations. One of the first and most important unresolved problems in this relationship and in creating a better relationship between aboriginal peoples and other Canadians is the question of treaties in my home province of British Columbia.

I remind the House that British Columbia is unique in Canada, in that the process of signing treaties has never been completed. Only a handful of treaties were signed in the pre–Confederation period. These include the Douglas treaties of southern Vancouver Island, the area that includes my riding of Victoria, which indeed were signed by Governor Douglas with the First Nations of the area in a very farsighted move. In 1899 Treaty No. 8 was signed with the First Nations of the Peace River area in northeastern B.C. Generally speaking, British Columbia is without a treaty system. In the rest of British Columbia the issue of aboriginal rights remains largely unresolved due to hundreds of years of neglect by successive colonial, federal, and in particular provincial governments.

• (1555)

The First Nations have wanted to resolve these problems. Repeatedly they have pressed for treaties, but only in this decade did the provincial government have the willingness to negotiate with them and with Ottawa. Previously it maintained that there was no need to negotiate and it said that whatever rights to land and resources the aboriginal people may once have had were extinguished long ago. The result was decades of legal acrimony as the First Nations sought settlement through the courts of what they were unable to achieve through the negotiations process.

I would like to mention in particular one case of great importance. In 1973, more than 20 years ago, the Supreme Court of Canada was asked in the famous Calder case whether aboriginal title to the Nisga'a traditional territory had been extinguished. Chief Frank Calder, with whom I had the privilege of sitting in the British Columbia legislature and who is now a constituent, a friend and adviser of mine, led the way in achieving recognition of aboriginal land title. In that case all six justices accepted that aboriginal title had existed in the past. Three ruled that it had been extinguished, but three ruled that it was unextinguished and that the government was obliged to negotiate treaties.

Since then the federal government has accepted the need to negotiate treaties in British Columbia. We have been negotiating with the Nisga'a people for these last 20 years, but resolution of the negotiations was next to impossible without provincial participation because of their responsibility under our Constitution for crown lands. That changed in 1990 when Jack Weisgerber, who was then the minister for aboriginal affairs in the province of British Columbia, announced that the province of British Columbia was willing to drop its traditional opposition to tripartite negotiations. It was this announcement of Mr. Weisgerber, who is now the leader of the B.C. Reform Party, that paved the way for the B.C. Treaty Commission.

I would like also to pay tribute to Mr. Weisgerber's premier at the time, Mr. Vander Zalm, who was responsible for this major breakthrough in the attitude of the British Columbia government toward the question of negotiation with First Nations people.

Today Mr. Weisgerber is leader of the provincial Reform Party and apparently is an opponent of this negotiating process, like his federal Reform brethren. I find it sad and ironic that Mr. Weisgerber, who should be proud of his role in the historic process of resolving this longstanding injustice, is now renouncing what is in my mind the finest moment of his political career.

I would ask the federal Reform Party to support the old Jack Weisgerber, the old Social Credit Jack Weisgerber, who was willing to help break a 120–year of pattern of injustice, and not the new Reform Jack Weisgerber, who wants to continue with the 19th century attitudes into the 21st century.

Many critics of this process, including many in this House, have emphasized the high costs of settling land claims. Indeed, there will be costs. I look at the *Sun* newspaper of Thursday, October 19, where the title on the city and region section says "$10 billion figure baffles Ottawa". There is cost to settling land claims. When we are trying to settle issues that should have been resolved over a century ago, there will be a cost, a cost for long delay as well as the cost of the settlement itself. But there

are also steep costs if we keep putting negotiations off and if we keep putting them off any further than now.

For example, in 1991 a Price Waterhouse study indicated that every year land claims go unsettled in British Columbia the province suffers the following consequences. $1 billion in potential investment in forestry, mining and other resource sectors is lost. Second, 300 jobs which would otherwise be created are not created. Third, 1,500 jobs are adversely affected. Fourth, $125 million in capital investment is lost or deferred.

• (1600)

That is the price of inaction as outlined by the Price Waterhouse study. It is the price the critics of the process would have us continue to pay year after year until eventually it would be the courts which would force governments to pay billions more than they would have to pay if we settled these negotiations and these matters through fair, open negotiations with the First Nations people.

To help achieve this goal the B.C. Treaty Commission was established. It consists of five commissioners, five outstanding British Columbians, who represent the interests of all the parties to the negotiations. Two of the commissioners are nominated by the First Nations Summit, one by the provincial government and one by the federal government. The chief commissioner is duly selected and appointed by all three of the principals, namely the First Nations leadership, the federal and provincial governments.

The First Nations Summit includes all the First Nations in B.C. which have agreed to participate in the B.C. Treaty Commission's six–stage treaty negotiating process. The summit provides a forum for First Nations involved in the treaty process to meet and discuss negotiations. As one of the principals of the process it continues to provide direction along with the governments of B.C. and Canada.

Carole Corcoran was elected by the First Nations Summit as one of its first treaty commissioners. She also sat on the royal commission on Canada's future from 1990 to 1991. She serves on the board of governors of the University of Northern British Columbia. Unfortunately she had to resign recently.

On October 4 the First Nations selected Miles Richardson of Haida Gwaii as the second First Nations treaty commissioner. Mr. Richardson was a member of the B.C. claims task force which reported to the governments of B.C. and Canada and the First Nations on how the parties could begin negotiations to build a new relationship. Mr. Richardson's appointment is pending order in council approval at this time.

The First Nations Summit has also elected as one of its commissioners Wilf Adam of the Lake Babine Indian Band. Mr. Adam, a former chief councillor of the band, is chairman of the Burns Lake Native Development Corporation and is co–founder of the Burns Lake law centre.

The British Columbia appointee is Barbara Fisher, formerly general counsel and Vancouver director of the Office of the Ombudsman. She currently practises part time as counsel to the B.C. Information and Privacy Commission.

Since last April the Government of Canada's representative on the commission has been Peter Lusztig, a professor of finance at the University of British Columbia. He also brings considerable breadth of experience from the community, having sat on B.C.'s royal commission on automobile insurance and the B.C. commission of inquiry into the tree fruit industry. In 1991 he also chaired the Asia–Pacific initiative advisory committee which was struck by the federal and provincial governments.

Since last May the chief commissioner, the fifth commissioner, has been Alec Robertson, Q.C. The legal community is familiar with his past work as president of the B.C. branch of the Canadian Bar Association, as chairman of the Law Foundation of British Columbia and as a member of the gender equality task force of the Canadian Bar Association.

I have given some details of these individuals to show all members of the House that the B.C. Treaty Commission consists of five distinguished Canadians who are doing their utmost to ensure that the comprehensive claims process moves along in a timely and orderly manner.

It was mentioned earlier that one area where much progress has been made is with respect to consultation with the citizens of British Columbia and the rest of the country. That is of course consultation outside of the responsibilities of the First Nations and the two governments.

• (1605)

One of the recommendations contained in the commission's annual report which was tabled in the House last week is: "Canada and British Columbia make full use of their consultative processes so that the community at large will be confident that their voices are heard and their concerns are considered". This government strongly supports that recommendation. An effective dialogue, an effective exchange of accurate information is absolutely essential to concluding sound and sustainable treaties in British Columbia.

Governments are using a number of consultative mechanisms to ensure that third parties affected by the treaty process voice their perspectives, their concerns, their interests, their ideas. We heard from one of the previous speakers on the government side, the hon. member for Edmonton West, how the treaty negotiations advisory committee provides advice to both governments on sectoral issues on a province–wide basis. To ensure that the interests of regional parties are being addressed, the negotiating teams work with local sectoral groups to form regional advisory committees, RACs as they are called.

There is an overall umbrella of 31 organizations to which the member made reference which cover the general interests of people in the province. In addition, there are the local bodies or the regional advisory committees. They are formed in areas where negotiations are beginning. They include representatives from the local non–aboriginal governments as well as from a variety of sectors such as industry, business, social services, resources and environment.

The establishment of a regional advisory committee is one of the conditions for the British Columbia Treaty Commission declaring a negotiating table ready for negotiations to commence. Eight regional advisory committees have been established in communities across British Columbia so far.

The lower mainland regional advisory committee, which meets in Vancouver, provides advice to the provincial and federal teams that are or will be negotiating with the Burrard, the Katzie, the Musqueam, the Squamish and the Tsawwassen. Issues which are of concern to this regional advisory committee include the use of federal crown lands, treaty settlements, Stanley Park, taxation and provision of services to the aboriginal community.

The Bulkley–Skeena regional advisory committee located in Smithers provides advice on negotiations with the Gitksan, Wet'suwet'en and the Gitanyow. Their concerns centre on the use of lands and resources, particularly forest and fish. Governance is also an important component.

On my own Vancouver Island there are two regional advisory committees. The west island RAC in Port Alberni is working with the negotiators for the Ditidaht First Nation and the Nuu–Chah–Nulth tribal council to ensure that the interests of local communities are addressed. Issues such as interim measures, fishing, forestry and environmental concerns are being addressed.

The south island RAC covers Victoria and extends north to Nanaimo. There are currently two First Nations in the first phases of the negotiation process, the Temexw and the Nanaimo. As other First Nations enter the treaty process, this regional advisory committee will be expanded to include representatives from additional interest groups.

There are others. There are a total of eight in other parts of the province. I will not go into each one in turn but to say that the overall system of regional advisory committees is well in place. It is working well and all local interests in those areas are involved in the negotiation process.

The regional advisory committee sets its own terms of reference including the meeting times, locations, subjects for discussion, openness of meetings and membership. The regional advisory committees are becoming more active in areas where the parties are moving into framework negotiations.

Despite the regional advisory committees and despite the umbrella organization discussed by my colleague, there have been public criticisms of the consultative process. Concerns have been raised that the interests of non–aboriginal people were not being properly represented at the negotiating table. As has been indicated by my colleague from the Western Arctic, this is incorrect. In order to dispel many of these concerns, federal and provincial representatives have made significant efforts to convey information about the treaty process. Local community officials are contacted for input on appropriate representative organizations for inclusion on any RAC being formed in their area.

• (1610)

The treaty commission process ensures that both the federal and provincial governments are responsible for representing the non–aboriginal interests at the table. It is the role of both governments to listen to all these other interests, to consider their positions and their views and to develop a balanced negotiating strategy that fairly represents the interests of the communities involved, as well as of course the interests of the province as a whole and the country as a whole.

This government recognizes that the treaty process is important to everyone and will affect not only aboriginal people. A consultation process that works effectively is critical to the success of the treaty making process. The federal government is committed to consulting non–aboriginal people and third parties throughout the negotiating process.

Third party interests have been active in British Columbia throughout the treaty negotiations to date. They will continue to play an important role as these negotiations progress. The challenge before us is to ensure that we continue to develop a new relationship that encourages open dialogue and permits us to carefully consider all available options.

It was a pleasure to rise today to speak in favour of Bill C–107.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I have one question of the hon. member which relates to the five commissioners.

I realize the act states in the beginning that it is the chief commissioner plus four and there is quite a good dissertation on how the four are selected, including the chief. I do not quite understand how this fifth one came to be. In that relationship also in the term of office, I understand the chief commissioner is a three–year term of appointment and the others are for two–year terms. Does the hon. member know if there is any number of reappointments or consecutive terms, that type of thing?

Mr. Anderson: Mr. Speaker, yes the fifth commissioner who is of course the chair of the representatives, is chosen through consultation among the two governments and the First Nations who are part of the treaty process. It is done essentially by a consultative process and agreement in principle on an individual.

That was the case with Chuck Connaghan who served as the first chief commissioner and who set up the process. It was also the case for Alec Robertson who is currently the chief commissioner.

With reference to the period of time, I understand the member is correct. There is a set period of two years but reappointment is quite in order. If any of the organizations, be it either of the governments or the First Nations people, wish to reappoint one of their appointees, that is perfectly in order and would happen. It is also true that the chief commissioner can be reappointed, although I have to say that is my understanding rather than my firm knowledge. I will get absolutely accurate information for the hon. member.

It is important to make sure that in such an organization with five people in it we do not come to the end of the period of appointment and then start afresh with new commissioners. As the hon. member quite correctly pointed out in her question to the hon. member for Western Arctic, this is a difficult issue with respect to time. A continuity of personnel will be most important in making sure that we do not slide backward at any point in the process. I will get the actual terms dealing with the period of appointment for the hon. member.

• (1615)

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, it gives me great pleasure to speak in support of Bill C–107 today.

In 1990 Price Waterhouse estimated, as the hon. member who just spoke indicated, that about $1 billion of expenditures involving up to 1,500 jobs in the mining and forestry sector were likely to be affected if claims were not resolved. When we hear these numbers we must keep in mind that these are only two industry sectors and this study was over five years ago. In that report Price Waterhouse indicated that comprehensive land claims generate uncertainty for companies operating in British Columbia. I will get back to the factor of uncertainty.

Factors creating uncertainty include right of access to land and resources, possibility of production or shipment disruptions affecting reliability as suppliers, and possibility of unsatisfactory compensation if a company is affected by a land claim settlement.

Forestry and mining companies reported that they required a premium to invest in British Columbia rather than elsewhere because of the uncertainties related to comprehensive claims. Currently the premium is generally less than 1 per cent but it is expected to rise in the future. As indicated, the economic impact on the province of British Columbia is substantial.

The report goes on to indicate that uncertainty surrounding settlement of the land claims issue will ultimately have an impact on the provincial economy. It is estimated that almost $1 billion of currently proposed mining and forestry industry investments could be affected by the non–settlement of comprehensive land claims, although land claims are generally not the only issue to be resolved before development can proceed.

The economic impacts of such delays or cancellations could be summarized as follows: $50 million of capital expenditures could be lost each year; $75 million of capital expenditures could be delayed resulting in both lost opportunities and continued operation of less than efficient plants; and some 100 jobs stand not to be created each year because of the economic uncertainty. Such loss of growth of primary industry jobs means that the service sector will also be impacted and grow more slowly. Using generally accepted employment multipliers this is equivalent to a further 200 jobs not created throughout the province each year which might otherwise materialize.

The report indicates based on the projects identified in the survey that ultimately some 1,500 permanent jobs could be impacted, together with related indirect and induced employment.

It is important to refer to particular parts of the report because of the details contained therein. It is important to look at different aspects. There is reference made to the mining industry. The situation is a bit different at the mining development stage. A number of the participants indicated that they expected difficulties from unsettled land claims. Together the projects the participants indicated they had problems with represent about $680 million in capital expenditures.

Extrapolating the results and analysing expected impacts, Price Waterhouse estimated that the mining investment of about $100 million a year was likely to be affected by uncertainties related to comprehensive land claims in British Columbia. This represents about 12 per cent of annual private and public capital investment in the British Columbia mining industry. Based on the survey results about half the projects affected were expected to experience delays of about three years. The other half were expected to be cancelled.

• (1620)

Along with these losses one has to look at another ancillary loss, legal costs. Comprehensive land claims in British Columbia result in legal costs to governments, companies and native organizations estimated by Price Waterhouse at about $5 million a year.

In 1987, it is important to note, forestry, logging and wood products, manufacturing and pulp and paper manufacturing accounted for about 30 per cent of the GDP of the goods producing industries of the province of British Columbia and about 10 per cent of the province's GDP. In 1988 the industry was responsible for 87,000 direct permanent jobs representing about 6 per cent of total employment in British Columbia. The multiplier effect creates at least two more jobs for each direct job. Thus 261,000 jobs in British Columbia can be attributed to the forestry industry, 17 per cent of the total provincial workforce.

Mining, oil, gas and related manufacturing account for about 15 per cent of goods producing GDP and about 5 per cent of the provincial GDP. This is half the size of the forest industry in terms of GDP contribution.

We must note the Price Waterhouse study was completed over five years ago in March 1990. A lot has happened in the resource industry and on the land claims front since that time. However the one thing that has remained consistent is the need to establish certainty in the province of British Columbia through the negotiation and settlement of land claims.

The study conducted by Price Waterhouse involved leaders in the mining and forestry industries including senior executives, presidents and vice–presidents of companies, as well as general managers, chief foresters and managers of exploration and woodland operations. This is a critical point to understand the real impact of the lack of certainty on the land claims front to resource development and the impact the study has had in the industry. It signals the very broad recognition by industry from the boardrooms out to the field. The issue cannot be more emphatic. The settlement of land claims is long overdue.

Price Waterhouse reported that unresolved, comprehensive land claims generate uncertainty to companies operating in British Columbia, as I have already mentioned. I will mention it again to emphasize it for third party members and get through to them that it is an important factor.

Factors creating this uncertainty include the right of access to land and resources. For these companies the most important factors affecting the premium include future uncertainties regarding the outcome of injunctions related to land ownership or access, the possibility of production disruption, and future considerations regarding royalties and taxes.

The respondents to the Price Waterhouse survey generally agree that companies, employees and governments all pay the cost of uncertainty related to comprehensive land claims. The survey respondents also agreed that generally the higher cost could not be passed on to consumers because the resource sectors in British Columbia sell on world markets and are price takers. None of the respondents reported having considered compensation for comprehensive claims when applying for federal–provincial government funding. Very few respondents actually reported having applied for government incentive programs in the past.

• (1625)

These are very real concerns in resource based sectors in the province of British Columbia that consequently the economic stability not only of that province but the rest of the country as well.

There has been considerable action on the claims front since the study was done. The province of British Columbia has entered into the negotiation process and over 47 nation groups in the province of British Columbia have submitted statements of intent to negotiate.

The federal government is committed to resolving the uncertainty issues caused by the lack of treaties in B.C. The tabling of legislation for the creation of the B.C. Treaty Commission is one step toward the resolution of uncertainty.

There is no doubt in anyone's mind that the Price Waterhouse numbers demonstrate a clear and resounding indication of the impacts and the costs associated with not resolving land claims in the province of British Columbia.

We know we are losing over $1 billion in investment and over 1,500 jobs in mining and forestry. The door is open to resolve the land claims issue, to achieve certainty and to move forward. We must act. The opportunity is here today with the B.C. Treaty Commission legislation.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I listened to the hon. member's comments with regard to the issue.

A number of bands in B.C. have not agreed and have refused to sign on. They are actually arguing with other bands over who has what lands. Yet the member is saying to go ahead and spend the money with no commitment from the other bands. I do not understand this at all. It will be an ongoing argument between the bands and there will be no settlement.

He blames this for impeding industry. It will impede industry. I will not disagree with that. It will not impede industry as much as the government has since it was elected. The government's regulations have tied up mining far tighter than any land claim agreement. Even the mining and logging industries would agree with that.

I fully understand that land tenure is a big problem in Canada. However that is into the area of provincial jurisdiction. They are trying to put the horse before the cart. It has already taken place without the legislation passing through Parliament and I do not understand that either. Maybe you can answer some of my questions.

The Acting Speaker (Mr. Kilger): Before I give the floor to the hon. member for Saskatoon—Dundurn, I remind members to direct questions and comments through the Chair.

Mr. Bodnar: Mr. Speaker it is nice to know that members of the third party recognize that this uncertainty is having an impact on industry in Canada. Hopefully, rather than being critical of what is being proposed, the third party will propose whatever it believes may be better. If its proposals are better we can discuss them.

It is interesting to note the land claims, overlapping claims and the problems with them. Of course it is voluntary and entrance is voluntary. However it is hoped that as we proceed the parties and other groups in British Columbia will see the process is working. Since it is voluntary, hopefully other groups that are somewhat reluctant will join the program.

A step has to be taken. We cannot throw our arms in the air and say that we have this problem but will do nothing about it. We cannot say that. We have to try to bring the matter to a resolution and help industry and people in the province of British Columbia and elsewhere in Canada bring the matter to a head. I just wish the hon. member had some constructive suggestions on how this matter could be dealt with if he is not happy with the process we have introduced.

• (1630)

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I too am very pleased to speak to Bill C–107. This is a very important bill and is long overdue. However the understanding should be that we are now at this stage and let us get on with it.

Today marks the culmination of a long and at times very difficult struggle. It is born of British Columbia's history and is the product of many years of hard work and a lot of acrimonious debate.

The issue of aboriginal rights in B.C. has remained unresolved for years. The negotiation process has gone on for decades. Many people have played a part. Many times the negotiators did not understand the cultural differences they were dealing with.

My comments this afternoon will be very short. I will address only what one company in British Columbia has done to improve cross–cultural awareness which not only improves relations but improves business for all concerned.

Aboriginal and non–aboriginal people often work in the same circles in both the private and public sectors, yet the level of awareness across cultures is often lower than it should be. Misinformation about the culture and beliefs of First Nations can create tension within an office and across the boardroom table. This tension negatively impacts on interpersonal and business relations.

One of the best ways to increase knowledge about First Nations is through cross–cultural awareness training. An example of this is what I am going to speak about today.

B.C. Hydro is a leader in this field. Once B.C. Hydro realized the benefits of working with aboriginal peoples it developed the aboriginal cross–cultural awareness training program to increase employee knowledge of First Nations culture. "Taking an interest in learning about First Nations issues was the first step in improving relationships between two cultures," says Patrick Kelly, training co–ordinator of B.C. Hydro.

The program has been so successful it is now offered to organizations outside B.C. The hydro program was developed in collaboration with aboriginal people and is delivered by First Nations people familiar with community, corporate and government operations.

The program has three levels. Participants start with an information session about First Nations history, culture and languages. An overview on relationship building and conducting business with aboriginal people is also presented. Participants then progress to the next level which provides in depth information about a specific aboriginal group relevant to the client. The client also has the opportunity to acquaint the aboriginal group with its structure and interest. The third level of the program includes a facilitated face to face meeting between the client and the aboriginal group.

To date B.C. Hydro has provided training for several organizations and businesses such as CN Rail, the Union of B.C. Municipalities, the Insurance Corporation of B.C., and the B.C. Lottery Corporation. Reaction to the program has been very positive. Two CN Rail employees who recently attended the session noted that the training will strengthen partnerships with First Nations and stimulate new ideas and strategies.

Cross–culture awareness training can assist any organization that deals with First Nations. Ian Tait, B.C. Hydro's manager of business development and communications says: "In light of the current treaty making process in B.C., it has become even more important for companies to build stronger relationships with First Nations". I am sure anyone who is wishing to have information on this could contact someone at B.C. Hydro with regard to its aboriginal cross–culture awareness training program.

I have recently been assigned to the Standing Committee on Canadian Heritage. If ever we are to have an interest in the heritage of this country and who probably has the most to gain or to lose, we certainly have a lot to gain by knowing our aboriginal

and our First Nations people and knowing more about their history and their culture. It is important that we understand what their culture is and try to work with it. If First Nations would understand our culture too, I believe that all in the community would be better served and business would be better served.

• (1635)

My comments are very short. It is only to create awareness, which in turn will give better understanding, which will lead to a resolution and hopefully, passage of Bill C–107.

The Acting Speaker (Mr. Kilger): I remind the House that we are presently at the last stage of debate on Bill C–107, in which members are entitled to a 10–minute maximum intervention without questions or comments.

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I am pleased to speak on Bill C–107. As a member of the Standing Committee on Aboriginal Affairs and Northern Development, I know the importance of the bill. I will spend a few moments talking about the federal government's perspective on the B.C. treaty negotiations.

The federal government has a dual objective in entering into treaty negotiations: to achieve certainty as to the rights and obligations of all lands and resource users; and to establish a new relationship between First Nations and other citizens. It is important as Canada evolves to achieve a better relationship between our native people and the rest of Canadians.

The interests which Canada brings to the treaty negotiating table are outlined in the preliminary document dated June 27, 1995. This was prepared by the federal treaty negotiations office.

The Government of Canada has primary jurisdiction over issues such as financial benefits, governance and fisheries, while in other areas such as lands and wildlife it may exercise varying degrees of authority. Although the federal government does not have primary jurisdiction over all the topics which will be subject to negotiation, it has nevertheless declared its interest in every area. Overall, in concluding treaties in B.C., Canada's interest is ensuring that fairness, affordability, clarity and durability are present.

The federal government has also identified its specific interests in negotiating the key components of the treaty. Those key components are lands and resources, financial benefits and governance. Let me outline some of the key elements of each of these components.

In the area of lands and resources, we want to ensure the conservation of resources for the future use and benefit of all Canadians. We want to ensure that we promote and integrate a co–ordinated approach to land and resource management. We also want to identify and consult with all interested and affected third parties and deal with them equitably. We obviously have to respect the legal rights of all of our citizens. The promotion of self–reliance of the First Nations is important and is one of the reasons I sit on the parliamentary committee. Last, with respect to lands and resources, we must safeguard Canada's over–arching obligations.

In the area of financial benefits, we want to ensure in concluding agreements that they are affordable for all Canadians. That is very important. I believe we can work together with all parties to make sure that happens. We also have to ensure that there is no burden to Canada's economy and taxpayers.

Most important, we must ensure there is fairness and equity among all the treaties concluded in B.C. and elsewhere in Canada. That is important for our government. We talked about that in our red book, that there be fairness and equity in all of our conclusions when we do these treaties. The last and most important one is promoting self–reliance in the First Nations communities.

• (1640)

The main elements in the area of governance are establishing new relationships with First Nations. That is an important element for us. We are always striving to do that. I am watching this happen more and more in my committee. We are looking at it in a subcommittee on education of which I am also a member. We are looking at how those new relationships can be built so that First Nations can take their proper roles in the country.

We want to establish clear and harmonious jurisdictional arrangements among all levels of government. We also want to maintain Canada's over–arching sovereignty and the application of the charter of rights and freedoms.

We must make sure that First Nations institutions of government are democratic and accountable. This is coming more and more into play. Our native people want to be more democratic and accountable for their ongoing performance in Canada.

We want to recognize the unique needs of various First Nations. That is very important as well. There are so many unique needs of our First Nations people. Through this treaty and this commission those needs, unique as they are, can be highlighted and accentuated.

The means whereby Canada will achieve its interests will be determined through extensive consultations with third parties and ultimately through a process of negotiations with the First Nations and British Columbia.

What is the vision for post–treaty British Columbia? The federal government has a vision for British Columbia after treaty negotiations have concluded with the province's First Nations. Canada seeks a society in which new relationships are forged with First Nations, a relationship obviously based on respect and trust, one that reconciles modern Canadian realities with the traditional native aspirations.

Although Canada has a vision of what it would like to see at the end of the day, there is no prescription to define this new relationship. It will be built on a process, that trust I talked about, the respect I talked about. That will be negotiated by the three parties: the First Nations, Canada and British Columbia.

The fundamental elements of Canada's vision for post–treaty B.C. include certainty, equity and finality, practical arrangements, and opportunities for economic development. That is very important because our First Nations are striving to build their communities. They are striving to be more independent, but that independence can only come if there is economic opportunity and development, if native people can forge their design and abilities around economic development and make their communities more productive. That would give the independence and self–reliance which is so important for our First Nations people.

We have to make sure that the vision is workable, efficient and cost effective with these governance arrangements. What we will see in this vision at the end of the day are healthier First Nations. Nobody wants that more than the First Nations people themselves.

Last, we want more harmonious relations and better neighbours. That goes without saying. I am very pleased to have had the opportunity to speak on Bill C–107 and, obviously, very pleased to support it.

• (1645)

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, as a new member of the aboriginal affairs and northern development committee, I am pleased to rise and speak on Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission.

The B.C. treaty commission will be charged with the task of facilitating treaty negotiations, including the implementation of the inherent right to self–government. The bill will help all of us to understand something of the complexity involved in this process and something of the patience that is required. It will also help us to understand what that elusive phrase "inherent right to self–government" means.

Self–government will be dealt with at the same treaty table as other items such as land and resources. The same principles and practices of openness which currently characterize the B.C. treaty making process will also apply to self–government negotiations.

The federal government will not establish additional processes. These negotiations will be with the aboriginal groups that are involved in the existing treaty process in B.C. As the act outlines, the current chief federal negotiators who work out of the federal treaty negotiation office will represent Canada in self–government negotiations.

The budgets allocated for the B.C. treaty making process and managed by the treaty commission will support self–government negotiations.

It is federal government policy to implement the inherent right of aboriginal people to self–government and it will focus on reaching practical and workable agreements on how self–government will be exercised. Rather than trying to define it in abstract terms or through lengthy and costly litigation, while there are different views about the nature, scope and content of the inherent right, negotiations among governments and aboriginal peoples are preferred over litigation. Consultation and co–operation, not confrontation.

It seems to be without cause for any contradiction that in our modern society, and perhaps because we tend to follow practices from south of the border, that we are becoming less and less able, sometimes in government and civic affairs and interpersonal relationships too, to sit down and solve some of these problems without the help of high priced lawyers and legal experts. We could give many examples of the increasing cost of this sort of thing. Many of us have had first hand experience of that. I applaud the thrust of this bill.

Given the different circumstances of aboriginal peoples, implementation of the inherent right cannot be uniform, nor will it result in a one size fits all form of self–government. There are 625 First Nations in Canada and I am sure we would find at least 450 different interpretations of what the inherent right means, depending on whether these are the Crees of northern Quebec or the members of Walpole Island or the Sechelt in B.C. Therefore there are 625 negotiations to be completed.

It would do us well to remember that for 200 years we have treated our aboriginal people in a paternalistic way. They see themselves as occupiers of this land before our ancestors arrived. They see themselves as people who agreed in a peaceful way to share that land with us. All too often our answer, when they were outnumbered, was to ignore them completely and push them on to the poorest land we could find and call it a reserve.

• (1650)

Self–government arrangements will be tailored to meet the unique needs of aboriginal groups and will be responsive to their particular political, economic, legal, historical, cultural and social circumstances.

The inherent right of self–government immediately does not include a right of sovereignty in the international law sense and will not result in sovereign, independent aboriginal nation states. On the contrary, implementation of self–government should enhance the participation of aboriginal people in Canadian federation and ensure that aboriginal peoples and their governments do not exist in isolation, separate and apart from the rest of society.

It is envisioned that these agreements about self–government will provide for the aboriginal First Nations a form of government somewhere between municipal government or provincial government where they will have self–government authority over the immediate day to day lives of their people and they will have a continuing relationship with the federal government.

Lest we feel that these things are all going to be done very quickly and expeditiously and that Bill C–107 suddenly outlines the path before us with sign posts that will be met one after the other, it might be wise to summarize some of the subject matter that will be open to negotiation in the first instance, in other words the scope of these negotiations.

They will involve the establishment of governing structures, internal constitutions, elections and leadership selection processes; membership; marriage; adoption and child welfare; aboriginal language, culture and religion; education; health; social services; administration and enforcement of aboriginal laws; policing; property rights; land management; natural resources management; agriculture; hunting, fishing and trapping on aboriginal lands; taxation in respect of direct taxes and property taxes of members; transfer and management of moneys and group assets; management of public works and infrastructure; housing; local transportation; licensing, regulation and operation of businesses located on aboriginal lands. Subject matters beyond those integral to aboriginal culture or strictly internal to an aboriginal group are open to negotiation.

In these instances, primary law making authority would remain with the federal or provincial governments as the case may be and would prevail in the event of a conflict with aboriginal laws.

These matters need to be understood and negotiated. They would include such things as divorce; labour and training; administration of justice issues, including matters related to the administration and enforcement of laws of other jurisdictions which might include certain criminal laws; penitentiaries and parole; environmental protection, assessment and pollution prevention; fisheries co–management; migratory birds co–management; gaming; and emergency preparedness.

The third heading is subject matters where it is essential for the federal government to retain its law making authority. These are grouped under two headings in the act: the powers related to Canadian sovereignty, defence and external relations, international diplomatic relations in foreign policy, national defence and security, security of national borders and international treaty making; immigration, naturalization and aliens; international trade, including tariffs and import–export controls.

• (1655)

Other national interest powers involve the management and regulation of the national economy, the maintenance of national law and order, the protection of health and safety of all Canadians, federal undertakings and other powers including broadcasting and telecommunications, aeronautics, navigation and shipping, maintenance of national transportation systems, postal service, the census and statistics. While law making power in these areas will not be the subject of negotiations, the federal government is prepared to consider administrative arrangements where feasible and appropriate.

The policy principles on which self–government negotiations will be based are the following: the inherent right is an existing aboriginal right under the Canadian Constitution. Self–government will be exercised within the existing Canadian Constitution. It should enhance the participation of aboriginal peoples in Canadian society. The Canadian Charter of Rights and Freedoms will apply fully to aboriginal governments as it does to other governments in Canada.

Due to federal fiscal constraints, all federal funding for self–government will be achieved through the reallocation of existing resources as outlined in the 1995 budget. Where all parties agree, rights in self–government agreements may be protected in new treaties under section 35 of the Constitution as additions to existing treaties or as part of comprehensive land claims agreements. Federal, provincial, territorial and aboriginal laws must work in harmony. Laws of overriding federal and provincial importance such as the Criminal Code will prevail and the interests of all Canadians will be taken into account as agreements are negotiated.

Members have spoken previously about respect and trust which are absolutely essential. Another essential element if Bill C–107 is going to fulfil its promise and if we are going to get land claims on the road to settlement will be patience.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, I appreciate the opportunity to speak in support of Bill C–107, an act respecting the establishment of the British Columbia Treaty Commission.

It is important that we go back to the last Parliament when the Liberal members from eastern and western Arctic came to the House and made sure that parties on both sides of the House were fully acquainted with some of the difficulties, frustrations and road blocks that our First Nations have had over the years in trying to get some of these outstanding treaties resolved.

I can reflect back to our very first year as rookie members of Parliament. Mr. Speaker, I remember being with you and our caucus colleagues when we spent a long weekend in Iqaluit. We were all immersed in the community and the culture. Many of us

realized that old expression "out of sight, out of mind" reflected what has been going for many years with many of our First Nations communities.

As I mentioned, the members from the eastern and western Arctic urged us on and we as a caucus and now as a government are fully participating in ensuring the realization of some of those priorities which interest the First Nations are becoming legislation.

It is also a tribute to the government, specifically to the minister responsible for Indian and northern affairs. As one of our members mentioned earlier, some of these issues have been on the books for over 100 years. We just keep putting these treaties aside. The Minister of Indian Affairs and Northern Development probably had to twist some arms, because this has always been a tough issue to get on the front burner and get to the point where it becomes legislation on the floor of the House.

• (1700)

Today we can celebrate. Maybe there are some members in the opposition who do not like the process that is evolving as we get the issue resolved, but I am happy to hear that in spirit they are essentially supportive of the legislation. I think that is fair ball. There is always room for improving the process in this place.

At times it strikes me as funny that the Reform Party tends to come from a background where they want less government, less red tape, and the activity around this particular bill has been that. A lot of entrepreneurial people from all levels of government and all sectors of the economy have worked together in a very constructive way. They have worked expeditiously, and now when they seem to be getting some real results the Reform Party is saying hold on a minute, we are getting a little head of ourselves; let us not be too efficient here, because we have to make sure that the MPs ratify this and place the seal of Parliament on it before we confirm or negotiate transactions.

The Reform Party should know that all of those discussions and activities and exploration that have taken place are really conditional upon the work in the House. The Reform Party should not get too upset about the process, as long as in the end we get this resolved. I think that is where we are all coming from.

I have worked over the last six years with my colleague from the Western Arctic, who has made me as a city member of Parliament much more aware of some of the difficulties some of our first peoples are having trying to get their dreams, policies, and objectives resolved. I believe all members would agree that our member for the Western Arctic has been very passionate about making sure that her communities and her people have been represented in this Parliament over the last six years.

On behalf of my constituents in downtown Toronto, we support the government on this bill. We hope that our first peoples, with the help of this bill, will realize a good part of the dream they have been working on for so many years.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am very pleased to participate in today's debate on a bill respecting the establishment of the British Columbia Treaty Commission.

I should start by congratulating the hon. member for Sault Ste. Marie, the hon. Minister of Indian Affairs, for succeeding in bringing this matter before the House, a very difficult task because of the full parliamentary calendar, and in convincing us all of the importance of this bill because it is indeed a very significant bill.

I see that some of the members across the way do not share my opinion but this is nonetheless what I think about the whole issue.

• (1705)

In May 1991, the Government of British Columbia made a commitment to ensure that the province would pay its fair share in the settlement of the land claims in question.

In June 1991, the provincial minister of aboriginal affairs announced the approval in principle of the establishment of a treaty commission in charge of co–ordinating the start of land claim negotiations, as recommended by the task force that had been set up for this purpose and whose members included representatives of the various levels of government.

In November 1991, the federal minister of the day, the hon. Tom Siddon as you may recall, approved 19 of the recommendations in the task force's report.

In December 1991, the Premier of British Columbia, Mike Harcourt, and the provincial minister of aboriginal affairs, Andrew Petter, approved the task force's recommendations regarding the land claims in B.C.

In the next 10 months, representatives of Canada, British Columbia and the summit negotiated the agreement on establishing the British Columbia Treaty Commission. The agreement on the BCTC specifies the commission's role, membership, financing, location, duties, powers, decisions, immunity, mandate and reviews.

On September 21, 1992, the Government of Canada, then represented by Prime Minister Mulroney and Minister of Indian Affairs Tom Siddon, the Government of British Columbia, represented by Premier Mike Harcourt and Minister of Aboriginal Affairs Andrew Petter, and the leaders of the First Nations summit formally approved the commission's constitution by signing the agreement on the British Columbia Treaty Commission.

The agreement on the BCTC requires the principals to establish the BCTC through legislative means. The federal and provincial governments agreed to adopt legislation to achieve this goal, while the summit agreed to pass a resolution to that effect.

To enable the BCTC to start operating as soon as possible, commissioners were appointed on an acting basis by provincial and federal orders in council dated April 13, 1995 and April 14, 1993 respectively and by a summit resolution dated April 5. These orders in council gave the commissioners the authority to carry out the agreed mandate pending the adoption of legislation to establish the BCTC as a separate corporate entity. This is of course the beginning of the process we are involved in.

On April 15, 1993, chief commissioner C.J. Connaghan and commissioners Lorne Greenaway, Barbara Risher, Carole Corcoran and Doug Kelly were appointed to the BCTC.

On May 11, 1993, the Summit passed a resolution to fulfil its role and support the establishment of this entity. On May 26 of the same year, the provincial bill was assented to pending the implementation of a federal statute. Political parties support the BCTC legislation.

The hon. Tom Siddon, acting on behalf of the federal government, and the province of British Columbia managed to complete their negotiations on cost sharing by June 1993.

In December, the BCTC started accepting statements of intention to negotiate from First Nations in British Columbia.

You can see the series of events that finally led to us debating this bill in the House today.

In April 1995, Alec Robertson was appointed chief commissioner and Peter Lusztig and Wilf Adam commissioners, while Carole Corcoran and Barbara Risher were re–appointed. Adjustments were made to expiring mandates. Some commissioners were re–appointed and, in other cases, new ones were appointed. On October 5, 1995, the Summit accepted Ms. Corcoran's resignation and designated Miles Richardson to replace her as the First Nations' representative.

• (1710)

I would now like to take a moment to look at the duties of this commission we are in the process of officially establishing. The duties of the commission are as follows: to assess the readiness of the parties to begin negotiations, the parties being of course Canada, British Columbia and the first nations; to finance the participation of first nations in the negotiations, in accordance with pre–established criteria; to encourage timely negotiations; to maintain a public record of the status of negotiations; to assist, at their request, the parties to the negotiations in obtaining dispute resolution services; and to report on the status of negotiations to the Parliament of Canada and to the British Columbia legislature.

In the few minutes that I have left, I want to discuss the status of negotiations. Forty–seven groups are engaged in the BCTC process. These groups represent 77 per cent of the 196 first nations in British Columbia. For those who are not from that province, it always comes as a surprise to hear that there are 196 first nations in British Columbia. In my riding, which you know well, I have the honour of representing the Akwesasne first nation, which is a Mohawk nation.

This is not the time to talk about some of the problems which exist in that region of the country. However, I hope that, at some point, during a parliamentary debate, I can express my wish that the problems which we have been experiencing in the Akwesasne region can end, so that all can live in peace and harmony, and enjoy a degree of prosperity, while complying with the laws passed by this Parliament.

I now go back to the progress made regarding the legislation before this House. The parties have indicated their readiness to negotiate. The negotiators signed framework agreements concerning, for example, the Teslin, Ditidaht and Gitanyow nations. The federal Minister of Indian Affairs, the hon. member for Sault Ste. Marie, signed framework agreements concerning the Sechelt and Gitksan first nations. He also signed other agreements concerning the transborder land claim made by the Champagne, Aishihik and Wet'suwet'en first nations. I apologize to aboriginal members for not pronouncing these names properly, but it is not out of disrespect.

I hope that the House will quickly pass this bill, which is so important for these negotiations. I also hope that all members of this House will support this bill. Mr. Speaker, as you may remember, there was a rather sad episode in this House about a year ago when we discussed the issue of land negotiations in the Yukon. A parliamentary committee even had to sit throughout the night in an attempt to have a bill approved in committee.

• (1715)

Indeed, the committee sat all night, until six or seven in the morning.

Needless to say that I hope we do not have to suffer such delays, and that we will proceed as quickly as possible to pass the bill currently before the House.

[*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: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

* * *

CULTURAL PROPERTY EXPORT AND IMPORT ACT

The House proceeded to the consideration of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act, and the Tax Court of Canada Act, as reported (without amendment) from the committee.

Hon. John Manley (for the Minister of Canadian Heritage, Lib.) moved that the bill be concurred in.

(Motion agreed to.)

The Acting Speaker (Mr. Kilger): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Manley (for the Minister of Canadian Heritage) moved that the bill be read the third time and passed.

[*Translation*]

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, I am pleased to present to the House for third reading a bill on the creation of a mechanism to allow appeals of decisions made by the Cultural Property Export Review Board.

[*English*]

Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act, and the Tax Court of Canada Act, passed second reading on October 3. I thank my colleagues for their comments in the House and the progress of the bill. I thank those who gave input at the Standing Committee on Canadian Heritage.

[*Translation*]

The purpose of this bill is to establish an appeal mechanism against decisions by the Cultural Property Export Review Board concerning fair market value of cultural property offered as a gift to museums, galleries, archives and libraries in the public sector.

The mechanism is twofold: first the donor or the recipient institution may ask the Review Board to reconsider its first evaluation of fair market value. Donors who have obtained a second evaluation from the Board and are still dissatisfied may then go on to the next stage, appeal of the Board's decision to the Tax Court of Canada.

As announced in the February 1990 federal budget, the responsibility for determining fair market value of cultural goods donated to designated Canadian museums, art galleries and libraries is transferred from Revenue Canada—Taxation to the Canadian Cultural Property Export Review Board.

• (1720)

[*English*]

The legislative amendments implementing this change became law in December 1991. In January 1992 the review board assumed this new responsibility.

[*Translation*]

Inadvertently, no provision for appeal from decisions by the board was included in the amendments, despite the fact that a right to appeal had existed previously.

When Revenue Canada still had this responsibility, the lack of an appeal mechanism had raised considerable concern among donors and custodial institutions. The Minister of Canadian Heritage, in co–operation with the Review Board, undertook a series of consultations with the community concerned on the need for an appeal process.

Subsequently we decided to propose legislative changes that would provide for the right to appeal to the Tax Court of Canada. Why should we adopt this bill?

[*English*]

What we want to do through this legislation is restore a natural right that existed up to 1991. With these amendments we have actually proposed two avenues of appeal over disputes concerning the fair market value of donations of cultural property to museums, art galleries, archives, and libraries.

[*Translation*]

The two tier process is effective in that it gives donors a chance to obtain satisfaction more quickly without having to go to court. The latter process is always very long and costly for all parties concerned.

This mechanism is not only a boon to present and potential donors of cultural property. It is not only essential for museums, art galleries, archives and libraries, as present and potential beneficiaries of donations of cultural property. It is important for Canada as a whole and for all Canadians, now and in the future. It encourages donations of items that are outstanding examples of our heritage, so that these can be preserved, exhibited and appreciated, for the greater benefit of future generations.

The Minister of Canadian Heritage is responsible for a department where the concept of heritage is given its broadest possible meaning. Heritage means the set of values we share and the signs by which we recognize ourselves as being members of a group and, indeed, a country.

Today, we can no longer restrict the meaning of heritage to what we have inherited from the past. Heritage is far more than just a collection of historical remains. Canada's heritage is first of all an expression of the ties that bind its citizens and of the unique identity of this country within the international community.

One could say that the concept of heritage cannot be separated from our identity. In the present economic situation, the concerns of heritage and identity are sometimes seen as redundant or of lesser importance.

[*English*]

Heritage and natural identity lie at the heart of economic and fiscal matters, for they animate and inspire the people and activities that drive the economy.

[*Translation*]

As a result of the various ways in which it interacts with other commercial enterprises, the arts and culture sector generates considerable expenditures which stimulate a direct demand for goods and services produced by other industries.

In 1992–93, the direct and indirect financial impact on GDP totalled more than $24 billion.

• (1725)

More than 600,000 corresponding jobs were created directly and indirectly the same year. The amendments we are proposing to the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act will consolidate the sectors of the arts, culture and heritage by making it easier for those who give valuable cultural property to museums, art galleries or libraries.

Investing in our arts, culture and heritage is investing in our collective future. These amendments are therefore of the highest importance to all Canadians, and particularly to the 60 million visitors to our art galleries and museums annually.

I would like to point out here that Canada's museums were the first of its cultural institutions to be established. For example, what is now the Canadian Museum of Civilization was founded in 1881. It can be difficult for museums, galleries and libraries to acquire new collection items. They have not escaped the financial challenge of these difficult times.

They have had significant cuts to their funding. Our museums, our art galleries and our libraries must therefore depend on the generosity of Canadians from all walks of life, on people who could have made money selling their artifacts, on people who, instead, have generously given them to us forever.

To offset the drop in funding faced by our museums, art galleries and libraries at the moment, it is our job to come up with ways these cultural and heritage institutions can acquire cultural property that will enrich their collections. Collections are not simply the irreplaceable assets of museums, art galleries and libraries, they are their raison d'être.

Policies and activities involving collections are among the basic mechanisms museums, art galleries, archives and libraries use to define and carry out their mandate. Museums, art galleries, archives and libraries may find it very difficult to complete their collections, for reasons such as rapidly increasing costs.

That is especially true for some art galleries, following the rapid increase in prices on the art market. The speed with which new products appear on the market make it very difficult for museums of science or history to show up to date collections. Donations of cultural assets to the collections are of definite financial value.

For instance, the Cultural Property Export and Import Act concerns a very large range of cultural items, including works of art, historical artifacts, natural science specimens, archives or scientific and technological material of historic significance. Our government has committed to supporting the cultural sector in Canada. Data produced by Statistics Canada show that the Government of Canada remains by far the one that supports the most the cultural sector in Canada. The government wants to go on doing so by continually seeking new ways of promoting the development of the cultural sector.

Innovative structural changes such as Bill C–93 will support the cultural sector without increasing the burden of Canadian taxpayers, so that they can donate their cultural properties instead of selling them to other countries. Canadians must be able to benefit from tax incentives such as those resulting from this legislation. These incentives encourage people to increase their support for our museums, art galleries and libraries.

The Acting Speaker (Mr. Kilger): Order, please. The hon. parliamentary secretary will certainly have the opportunity to conclude her remarks after the deferred division.

* * *

LAW COMMISSION OF CANADA

The House resumed from October 19 consideration of the motion that Bill C–106, an act respecting the Law Commission of Canada, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to Standing Order 45 the House will now proceed to the taking of the deferred division on the second reading of Bill C–106, an act respecting the Law Commission of Canada.

Call in the members.

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

(Division No. 354)

YEAS

Members

Allmand
Anderson
Augustine
Axworthy (Winnipeg South Centre/Sud–Centre)
Bélair
Bellemare
Bevilacqua
Bodnar
Boudria
Brushett
Caccia
Cannis
Chan
Collins
Crawford
DeVillers
Easter
Fewchuk
Flis
Gaffney
Gallaway
Godfrey
Graham
Guarnieri
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McLellan (Edmonton Northwest/Nord–Ouest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Reilly
Payne
Peterson
Pillitteri
Reed
Robichaud
Scott (Fredericton—York—Sunbury)
Shepherd
Simmons
St. Denis
Stewart (Northumberland)
Taylor
Tobin
Ur
Verran
Wappel
Whelan
Zed —119

Anawak
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Beaumier
Bélanger
Bethel
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Cohen
Cowling
Culbert
Dhaliwal
English
Finlay
Fontana
Gagliano
Gerrard
Goodale
Gray (Windsor West/Ouest)
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Keyes
Knutson
Lastewka
Lee
MacDonald
Malhi
Manley
Marleau
McCormick
McTeague
Milliken
Minna
Murphy
Nault
Pagtakhan
Peters
Phinney
Proud
Richardson
Rock
Serré
Sheridan
Skoke
Stewart (Brant)
Szabo
Telegdi
Torsney
Valeri
Walker
Wells
Young

NAYS

Members

Abbott
Asselin
Benoit
Bridgman
Caron
Cummins
Epp
Frazer
Gilmour
Grey (Beaver River)
Hanger
Harper (Calgary West/Ouest)

Ablonczy
Bellehumeur
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud–Est)
Chatters
Duceppe
Forseth
Gauthier
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hart
Hoeppner
Landry
Lavigne (Beauharnois—Salaberry)
Mayfield
Meredith
Morrison
Picard (Drummond)
Sauvageau
Silye
Speaker
Stinson
Thompson
Williams—51

Hermanson
Johnston
Laurin
Manning
McClelland (Edmonton Southwest/Sud–Ouest)
Mills (Red Deer)
Penson
Ringma
Schmidt
Solberg
St–Laurent
Strahl
Venne

PAIRED MEMBERS

Adams
Asselin
Bakopanos
Bélisle
Bernier (Gaspé)
Bertrand
Brien
Cauchon
Collenette
Crête
Daviault
Debien
Discepola
Duhamel
Dupuy
Fillion
Fry
Gagnon (Québec)
Grose
Guimond
Hickey
Lalonde
Lebel
Lefebvre
Leroux (Shefford)
Loubier
Maheu
McGuire
McTeague
Paradis
Payne
Robillard
Vanclief

Alcock
Bachand
Barnes
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Canuel
Chrétien (Frontenac)
Copps
Dalphond–Guiral
de Savoye
Deshaies
Dubé
Dumas
Eggleton
Finestone
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Godin
Guay
Harb
Jacob
Langlois
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Maclaren
Marchand
McKinnon
O'Brien
Patry
Regan
Terrana
Wood

• (1750)

[*English*]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the second time and referred to a committee.)

Mr. Milliken: Mr. Speaker, I think you would find there is unanimous consent to call it 6.30 p.m.

The Acting Speaker (Mr. Kilger): Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Therefore the House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24.

(The House adjourned at 5.56 p.m.)

HOUSE OF COMMONS

Tuesday, October 24, 1995

The House met at 10 a.m.

Prayers

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 11 petitions.

* * *

UNITED NATIONS ORGANIZATION

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am honoured to commemorate, in the name of the government, one of the most important events of the century: the creation of the United Nations Organization on October 24, 1945.

Fifty years ago, the first signatories of the UN Charter, including one of Canada's greatest prime ministers, Mackenzie King, gathered together in San Francisco to work out their vision of hope for humanity.

Amid the ruins of a devastated world, our predecessors firmly believed that, for the sake of humanity, they had to build a better future. They also knew that peace and development were not a matter for a few countries but one for the whole planet and all its peoples.

Today, as we contemplate the achievements and turmoil of the past 50 years, one thing is clear: the UN is a universal organization, not only because almost all the countries of the world are members, but because it is involved in all fields of human activity.

From peacekeeping and peacemaking to education and the fight against poverty; from human rights and development to the environment, human health, refugee assistance and programs to promote economic stability and growth; from democratization efforts to initiatives to share technologies and improve food and agriculture, Canada can be proud of the progress made by the UN in improving the fate of millions around the world.

• (1005)

But we can also be proud of our contribution to these efforts. We Canadians were among the first to sign the charter. It was also a Canadian, the late lamented John Humphrey, who wrote the first draft of the Universal Declaration of Human Rights in 1948.

[*English*]

It was my predecessor, Lester B. Pearson, who helped usher the UN into adulthood. Among his valuable contributions to the UN, none was more visionary than his proposal to help set up the first peacekeeping operation in 1956 during the Suez crisis. Since then, more than 100,000 Canadians have served in over 30 peacekeeping missions around the world, without mentioning our contribution to the Korean war. Today I want to pay tribute to those who have served and those who have died in the service of peace and in the service of the United Nations.

Canada has worked through the UN to fight for the rights of the poor and the underprivileged, to promote respect for the environment and to push for disarmament. We have consistently been one of the largest suppliers of food aid. We have assisted in missions to monitor elections in many parts of the world.

The International Civil Organization is based in Montreal. The Food and Agriculture Organization was founded in Quebec City and just last week celebrated its anniversary by holding a major conference there.

Canada has played a leading role in the International Atomic Energy Agency as well as in many other UN specialized agencies. We have served on the Security Council in every decade since the UN was created and we have recently declared our intention to run for a security council seat for the 1999–2000 term.

[*Translation*]

And last year, Canada announced that it would nominate the City of Montreal as the future home of the Secretariat for Biodiversity.

[*English*]

As we stand here today at the beginning of the next chapter in UN history and on the threshold of the 21st century, I am pleased to state that Canada remains firmly committed to the United Nations system. I pledge our continued support for the UN's goals.

I had the honour of addressing the United Nations General Assembly in New York last month. I outlined what Canada believes should be the UN's main priorities for the years ahead. This government believes the UN should pay particular attention to three main objectives: preventive diplomacy, rapid reaction and peace building.

All of the components of the UN system must help identify and resolve tensions before they generate into conflict. When preventive diplomacy efforts fail, the UN must be able to intervene quickly and effectively on the ground.

In New York I tabled Canada's report on how to increase the UN's rapid reaction capability. I was encouraged by the positive attention given to our recommendation.

Alongside these efforts, the UN must continue its ongoing work of peace building and articulate the visions of development centred on the individual and one that balances the economic and social agendas for the purpose of improving the well–being of society.

Just as the world has undergone many changes since 1945 and has had to adapt to new requirements, modern technology and fiscal restraints, so must the United Nations greet its future with a strategy for revitalization to meet the challenge of the next century. Those challenges often arise quickly and harshly. Canada will continue to hold out its hand to the UN to help ensure that the general assembly, the security council and indeed the whole UN family are best able to meet the needs of the future in a co–ordinated, efficient and fiscally responsible manner.

• (1010)

The UN has accomplished great things in its first 50 years. There have of course been setbacks. We can make the UN better, however we cannot hope to make it better when some countries do not pay their dues. Countries can pay their dues and they should now. That is not to say that we cannot reform the scale of assessments to reflect current economic realities. We should and without delay.

The UN at 50 should take stock of what it has done, how it has done it and how it can do things better in the future. We must look back and reflect on the spirit that carried the architects of the UN forward. Their vision was bold. Their challenges were great.

Today we are faced with universal problems that threaten the achievements of the last 50 years. Unlike 50 years ago, we have a proven universal mechanism that can help us meet those challenges. Let us make it stronger and better. That is the challenge for the years to come.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I am proud to have this opportunity today to speak on behalf of the Bloc Quebecois on this fiftieth anniversary of the founding of the United Nations Organization.

The Minister of Foreign Affairs gave a relatively appropriate picture of the past achievements of the UN, the challenges facing it today and the role played by Canada.

In my comments on this anniversary, I would like to focus on two main issues which I feel are fundamental and which may have been purposely avoided by the minister.

First, the matter of promoting human rights and democracy. Second, since this is the era of globalization, I would like to discuss that very typical characteristic of the UN, its universality. The UN's membership includes nearly 200 countries, 28 of which joined since 1990.

First, human rights and democracy. As I listened to the Minister of Foreign Affairs say how proud he was, and rightly so, of Canada's contribution, adding that it was a Canadian, the late John Humphrey, who wrote the first draft of the Universal Declaration of Human Rights in 1948, I could not help thinking of this government's lax approach to promoting human rights and democracy.

Considering that this government has refused to commit itself to recognizing the results of the referendum to be held next week in Quebec, it is somewhat surprising to see the minister holding forth at the United Nations and recalling the UN's achievements in promoting human rights and democracy.

That takes some nerve, I must say. And coming from a government that has decided from now on to focus exclusively on business interests and literally to turn its back on promoting human rights and democracy, it is downright embarrassing.

The late John Humphrey must be turning over in his grave today. The Bloc Quebecois has strongly criticized and condemned Canada's abdication of its historic responsibility for human rights and democracy.

Before I finish my comments on this first point, I will read one of the most interesting recommendations made by the Bloc Quebecois in the dissenting report of the Special Joint Committee reviewing Canadian foreign policy. The Bloc Quebecois recommended that the Department of Foreign Affairs and International Trade and CIDA, working in co–operation with NGOs and business corporations, draw up guidelines to give concrete expression to the key components of Canada's foreign policy respecting democracy and human rights.

Among other things, these guidelines could include a mandatory framework for analysing situations involving gross and reliably attested human rights violations. They were to be formulated as soon as possible and made public no later than the

UN's 50th anniversary celebrations scheduled for October 24, 1995. But October 24, 1995 is today, and what is the government tabling? Nothing, nothing tangible on promoting human rights and democracy. What an opportunity lost by Canada.

• (1015)

These guidelines were to serve as inspiration for new legislation and regulations to govern the transactions of the Department of Foreign Affairs and International Trade, CIDA, NGOs and business corporations with states belonging to the international community.

We felt that Canada's foreign policy, as it concerns democracy and human rights, should be more consistent and absolutely honest and open, so as to maintain the respect and prestige Canada had acquired, which a sovereign Quebec would certainly have been able to perpetuate.

Today there is every indication that this will be the case if Quebecers vote in favour of sovereignty on October 30. More than ever before, and this is again borne out today, it is high time that Quebec was finally able to participate fully in international politics, realize its aspirations and defend its own interests. Faithful to its democratic values of openness and tolerance, Quebec fully intends to stress greater concern for humanitarian aid and equality among nations.

This brings me to my second point, the universal aspect of the UN and the lessons to be learnt. I would like to refer now to several quotes from the secretary general of the United Nations' speech on nationalization and globalization at the first conference of young leaders, May 24, 1992.

The timely words of the UN secretary general are even more timely today. He said: "In order to enter into a relationship with another, we must first be ourselves. For that reason, the first prerequisite for the proper globalization of our modern life is a solid sense of identity. Excessive or misunderstood globalization might result in the creation of a kind of cultural soup, one uniform culture, which would do nothing positive for the world".

A sound sense of identity. Such was the message of the secretary general of the United Nations. This in fact is really the code for access to the world, a body of cultural references. According to the secretary general, the United Nations is that body of cultural references.

Now, what is the situation concerning cultural identity and cultural reference for Canada and Quebec? English Canada, we agree, needs solid anchor points in order to cope with the invasive American culture. Quebecers, on the other hand, base their identity on Quebec first and foremost. Therein lies Canada's whole problem; it is based on the assumption of a single nation, with one and the same culture, the so–called Canadian culture.

This denial of the existence of Quebec as a historically constituted nation disavows the existence of two founding peoples. Canada is, therefore, having serious problems defining itself. It is, in fact, a country still in search of an identity. Its existential problem is that it is torn in two directions by a dual identity. Recalling the words of John A. McDonald at the time Canada was created: "We have created Canada; now we must create Canadians", we in Quebec are saying "We have created Quebecers; now we must create Quebec".

To return to my main theme, the concept of the nation–state: a nation is, first and foremost, a shared desire for a shared life. It is the first step toward universalism. Universalism itself, therefore, is nourished by nation states. The secretary general's speech illustrated the value of another underlying principle of universality, and that is sovereignty. He expressed it as follows: It is the art of making unequal powers equal. Without state sovereignty there is a danger of chaos, a danger of destroying the very instruments of international co–operation".

• (1020)

He continued as follows: "A world in order is made up of independent nations, each open to the other, respecting their differences and their similarities".

This is one of the most essential messages, perhaps the most essential one, we can glean from the United Nations Organization, that great international institution which embodies these essential values more than any other body. This is why we believe that a sovereign Quebec will be able to participate fully in international life in its own right, bolstered by a solid identity, a solid anchor point, a single and unique cultural reference. Then it will be able to communicate with other nations, with the universal, to use the terms of the UN secretary general. It will do so by assuming its fair share of the obligations imposed upon it by its allegiance to the values of democracy, peace and justice.

There is no doubt whatsoever that this is the spirit within which a sovereign Quebec will assume its responsibilities on the international scene. Since Quebec is faithful to these values, there is no doubt in our minds that the United Nations will open its doors wide to us the day after our accession to the status of a sovereign state.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, 50 years ago the charter of the United Nations mapped out many high principles. These were noble aspirations but the reality of the UN has not lived up to that dream.

For decades the UN has remained incapable of acting forcefully to achieve those principles. The primary problem is that it cannot adequately finance its operations. If the UN is to respond to the many global problems which exist it must have sufficient

resources to do the job. Since it has not been doing its job effectively, it is difficult for the UN to take the moral high ground and pressure its member states to pay up.

What is required is major reform and the sooner the better. Without this I cannot blame some of those in default for not paying their bills. Why invest in an operation that is so bureaucratically top heavy, inefficient, and many times ineffective?

A further problem with the UN is the inefficient way the specialty agencies operate. Studies have found significant overlapping and duplication of work, limited responsiveness as well as a lack of transparency. In these agencies the UN has a tough time getting its job done. Certainly this is something that has created a number of institutional obstacles.

There are many areas where the UN should be improved and overhauled for the 21st century. To begin and most important, Canada must insist the UN eliminate the duplication and waste which contributes to its ineffectiveness. If the UN is ever to recover from its current crisis, this is an absolute prerequisite.

Furthermore, Canada must take a proactive and constructive role in reforming the UN so that it can better live up to its original goals of collective security, freedom, justice and human development. Canada is a respected player in the UN and we can provide effective leadership in the reform process. This will be extremely important going into the 21st century.

We must also strengthen the UN to attack the root causes of conflict, lack of democracy, poverty, abuse of human rights, intolerance and the uncontrolled spread of military technologies. In addition, many of the environmental problems which have emerged over the past several decades cannot be remedied without effective international co–operation. A revitalization of an effective UN would greatly help in all these areas.

The minister mentioned peacekeeping. This is a very important duty of the UN in which Canada has played no small part. Canadians attach a great deal of importance to our country's peacekeeping tradition but times have changed and peacekeeping is becoming more perilous and unpredictable. Therefore, this Parliament must establish clear criteria to make sure that our scarce peacekeeping resources are used where they can be most helpful and not used where conditions are unacceptable. We must realize that Canadians cannot participate everywhere. Our men and women in uniform have served the cause of peace very honourably for years and we are very proud of them.

• (1025)

Never again should our troops be left to twist in the wind, as happened in Bosnia, while the government in Ottawa failed to remove them for months and months from a dead end mission where the mandate could not be carried out properly.

In conclusion, the UN faces many challenges over the coming years. If this 50th anniversary celebration is to mean anything, then we must address these challenges head on. The UN will not survive unless it becomes effective, accountable and transparent in all of its activities. These are the changes that we need. These are the changes that the Reform Party will support.

* * *

COMMITTEES OF THE HOUSE

INDUSTRY

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I have the honour to present the ninth report of the Standing Committee on Industry entitled "Performance Benchmarks for Small Business Financing by Banks: A Progress Report".

I am particularly pleased to draw the attention of the House to the fact that this report is supported by members of all three political parties on the committee.

The report follows up on the committee's second report to the House "Taking Care of Small Business". It sets out a framework for banks to report their small business loan statistics to the industry committee on a quarterly basis. This data will allow the committee to track the performance of the banks in their relationship with small and medium size businesses and to select specific benchmarking issues for future investigations.

The committee will hold meetings with the banks to discuss this report and related matters during the week of November 6.

AGRICULTURE AND AGRI–FOOD

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I have the honour to present the 10th report of the Standing Committee on Agriculture and Agri–Food which deals with Bill C–61, the agriculture and agri–food administrative monetary penalties bill.

After very fruitful discussions with departmental officials and all others concerned, I am proud to report the bill with several amendments.

I also would like to thank all committee members for their co–operation, and the staff and departmental officials who expedited the discussions very well.

* * *

PETITIONS

FINANCIAL INSTITUTIONS

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present four petitions that have been signed by the constituents of Essex—Windsor.

The first petition has over 2,400 signatures and is from members of the CAW local in Windsor. They urge the govern-

ment to implement an emergency surtax on the profits of banks and other financial institutions to pay off the deficit.

RIGHTS OF THE UNBORN

Ms. Susan Whelan (Essex—Windsor, Lib.): The second petition calls on Parliament to act immediately to extend protection to the unborn child through amendments to the Criminal Code.

HUMAN RIGHTS

Ms. Susan Whelan (Essex—Windsor, Lib.): The third petition deals with the social issue regarding same sex relationships.

GUN CONTROL

Ms. Susan Whelan (Essex—Windsor, Lib.): Finally, Mr. Speaker, I would like to present a petition on behalf of my constituents concerning gun control.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. The particular petition has been signed by a number of Canadians from Moose Jaw, Saskatchewan.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

CFB CHILLIWACK

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I will present several petitions today. They have come in over the summer and this fall and are from people in British Columbia.

• (1030)

The petitioners say that over the last 10 years Canadian taxpayers have invested millions of dollars in infrastructure at Canadian Forces Base Chilliwack. The Canadian taxpayer will have to absorb any loss incurred by shutting down CFB Chilliwack and replacing that infrastructure elsewhere. This is the last army base unit in B.C. and the only military base in the lower mainland and in the entire British Columbia region. Due to its favourable climate CFB Chilliwack is able to provide optimum year round training.

Therefore the petitioners are calling upon Parliament to re-examine the closure of CFB Chilliwack to see if perhaps it should not stay open.

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

The House resumed from October 23 consideration of the motion that Bill C-93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act, be read the third time and passed.

The Speaker: When Bill C-93 was last before the House the hon. member for Mississauga East had 28 minutes remaining for debate. Therefore I now recognize the hon. member for Mississauga East on debate.

[*Translation*]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, the tax incentives provided in the Cultural Property Export and Import Act are for all Canadians and not only for the wealthy.

The act has been in effect for almost 20 years, that is since 1967. It has evolved and it must continue to do so in order to encourage Canadians to keep within the country those objects that are part of our heritage. The more Canadians are aware of the existence and purpose of this legislation, the more they donate interesting property related to our heritage.

Indeed, we notice an increase in the number of gifts made to public institutions and authorities responsible for keeping such property and making it accessible to ordinary citizens, the rich as well as the poor, now and in the future.

Economic considerations are not the only reasons underlying this bill. It is also important to make sure that our cultural heritage remains here in Canada. When the original legislation was passed, it did not include any deterrent to prevent the sale of Canadian cultural property on the free market. Consequently, Canadians have forever lost many important elements of their culture and heritage.

These objects were sold abroad and have become the property of public and private collections throughout the world. This is a major and permanent loss of heritage for Canadians.

Cultural and heritage institutions in Canada have a long and proud history.

[*English*]

Our first museums had an educational purpose: to organize and transmit knowledge in the natural sciences. For example, the first known museum in Canada dates back to 1831, when the Halifax Mechanics Institute opened a public museum and reading room. Later came the establishment of the arts museums. By 1903 Canada had 21 museums. Today our museums are respected and renowned worldwide.

[*Translation*]

The Canadian Museum of Civilization is one of those renowned institutions which attract visitors from all over the world. People come here to admire its distinctive architecture. But what would that magnificent building be without its collections? Without their artifacts, works of art and books, our museums, galleries and libraries would only be empty buildings, rooms and walls.

Bill C–93 will ensure that the collections of Canadian museums, art galleries and libraries are up to date, diversified and exciting.

• (1035)

Canadians are increasingly interested in their heritage. They expect the government to play a role in developing heritage collections. Bill C–93 is an attempt to meet these expectations.

An article in *The Ottawa Citizen* in October 1994 described the importance of gifts of cultural property for Canadian museums. Here is the story of one such gift.

Ainslie Loomis was a university student in 1939 and regularly visited Britnell's bookstore in Toronto. One day, while browsing through a box of old books, she came across an album of photographs entitled *The Antiquities of Cambodia*, which had been published in 1867. The price was marked as $2.25, but Britnell's dropped it to 75 cents. In 1993, and now living in Brantford, she gave the album to the National Art Gallery of Canada; it was worth $10,000.

The article went on to explain that the National Gallery of Canada came into being through gifts of works of art. At its creation in 1880, the National Gallery's collection comprised only donated works.

Leanora McCarney of Hull, Quebec, has been giving works of art to the National Gallery for 15 years. She says that when they travel abroad they see galleries with entire wings full of donated works. She does not believe Canadians are in the habit of donating works the National Gallery. She hopes to start a trend, because she feels people should understand that what is involved is their heritage.

In making it easier for people to donate cultural property to museums, galleries and libraries, the government will perhaps make Leonora McCarney's wish come true.

The implementation of measures, like Bill C–93, to consolidate our museum, gallery and library collections has an effect on other sectors of the economy besides the arts and culture. Cultural tourism is a flourishing part of the tourism industry.

On the whole, the tourism industry brings in nearly $30 billion a year and employs over 600,000 Canadians in 60,000 tourism related industries.

In Canada, recent trends indicate most tourists visiting Canada want a cultural experience different from their own. The Department of Canadian Heritage is trying to improve heritage tourism in Canada.

Many examples may be found in Canada of the contribution cultural tourism makes to the local economy, while promoting people's awareness of cultural values and encouraging their participation.

Thus the activities proposed at the Musée de la civilisation in Quebec City are an excellent way to approach culture, community development and cultural tourism.

Opened in 1988, the museum promotes experience on a human scale with a collection of over 80,000 pieces illustrating life in Quebec.

• (1040)

The leadership role of this museum in the city's cultural and educational development is widely recognized. This museum is now regarded as an essential tool for promoting public participation in cultural heritage activities.

[*English*]

Clearly museums, galleries and libraries are not elitist shrines or ivory tower domains for the happy few. They are democratic, diverse institutions open to all citizens. They make a vital contribution to the cultural and scientific life of the community. In Canada, museums, galleries, archives and libraries are resources and inspiration to people of all communities, backgrounds, ages and abilities.

To all Canadians our museums, galleries and libraries represent our authentic and irreplaceable link with our history, culture and heritage. Successful passage of Bill C–93 will help to ensure that these institutions remain vibrant temples of the human spirit, a strong presence for all Canadians to inspire us and reflect who we are.

[*Translation*]

I cannot emphasize too strongly the importance of this bill, this legislative jewel, for the future development of Canada as a nation. The Cultural Property Export and Import Act is currently the only legal mechanism available in Canada that promotes

conservation, thus helping to define our heritage. Again, this incentive to establish and protect Canadian culture is only an incentive and not a tax deduction or loophole. This incentive in the form of an individual tax credit is available to all Canadians.

Its scope was broadened in 1992 to include artists by encouraging them to donate their creations to designated institutions interested in collecting their work. I do not need to explain to you that artists are among our poorest fellow citizens, at least financially. This tax incentive provides us with a way, however small it may be, to allow major works by living artists to enter the public domain, where they will help inspire and educate citizens much better than if they remained hidden in the artists' workshops.

The Cultural Property Export and Import Act plays another very important role: encouraging Canadians to espouse philanthropic principles, to think about future generations, to seek today what may become a national treasure tomorrow, and to collect works of art.

Those who argue that cultural property donations can only come from the rich are completely mistaken, to say the least. In fact, some of the greatest collectors in the world had very little money at their disposal and sometimes even went without food in order to buy works of art.

• (1045)

We need more of these people in our country, people who can recognize what is of aesthetic value, people who can have a passion for history or, even better, people who can understand the scientific and technical symbols which define us as a nation.

This bill is designed for those who feel it is their civic duty to keep alive our heritage as a young country, and it seeks to welcome objects which are symbolic and representative of our country. To promote the making of collections and to stimulate a philanthropic spirit is the least that the federal government can do to ensure that our heritage remains accessible to all Canadians.

Our country is still very young. It is less than 150 years old. We have a duty to develop existing private and public collections, so that our culture can thrive and be the envy of other countries. More importantly, this will allow Canadians to be fully aware of their place and identity as a nation.

Given the current economic context, it is particlarly appropriate for us to take all possible measures to keep our cultural treasures in Canada, and to encourage the public to think twice before selling abroad family objects brought here by their ancestors over a century ago, not to mention a masterpiece by Riopelle bought 25 years ago for next to nothing.

We are talking about Canada's heritage but, more importantly, about the preservation and development of that heritage.

I am convinced that everyone in this House should support this wise piece of legislation.

[*English*]

Because the arguments are sound I encourage all members of the House to support the bill, which is based on sound logic and makes good sense for the country.

The Speaker: I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by 23 minutes today.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am rising to speak to Bill C–93 and I will argue today that not only is this piece of legislation flawed, this whole act is completely unnecessary. I am quite amazed at the lengths to which the government has gone to introduce this type of legislation for what appears to be not a problem at all or at least a very minor problem. I will argue the legislation has caused far more problems than it could ever hope to solve.

I quote from a Revenue Canada pamphlet called "Gifts and Income Tax":

> The Income Tax Act and the CPEIA provide tax incentives to people who want to sell or donate significant cultural property to Canadian institutions.
>
> The Canadian Cultural Property Export Review Board—is responsible under the CPEIA for certifying that an object is of "outstanding significance and national importance".
>
> When an object of this nature is donated to a designated Canadian institution or public authority, and is certified by the CCPERB, the donor does not realize a capital gain. For purposes of the tax credit, the donor can claim the FMV of the gift up to the total amount of tax still payable after claiming any credits for charitable donations and gifts to Canada or a province.

• (1050)

When that legislation was originally brought in, I believe in 1977, right from that time we have had all kinds of problems with people trying to take advantage of that legislation.

I quote from a newspaper article, March 24, 1995, in the Montreal *Gazette*:

> Tax avoidance schemes under which unscrupulous art donors obtain bloated write offs for works given to public galleries and museums are on the rise across the country, the Canadian Museums Association warned yesterday.
>
> These dubious donations have become so rampant in recent months that Ottawa might shut down the program under which tens of millions of dollars of art is donated to Canadian public institutions each year, said John McAvity, executive director of the 2,000–member association.
>
> Warning members to be more vigilant against such schemes, McAvity said: "The donations in question appear to be motivated purely by tax avoidance considerations rather than philanthropic reasons—These donors appear to be neither serious nor knowledgeable collectors or even known to the museums".

Under the scheme, which dates back at least 20 years, a donor buys a work of art for well below the artist's usual fee. The donor would then have the work evaluated for four or five times the amount he had paid for the work, donate the piece to a gallery, museum or registered charity and write off 100 per cent of the evaluated amount, art experts explained.

At the heart of the donation issue is the concept of fair market value.

Michel Rolland, president of a firm that facilitates art donations to public institutions, said that if a client was able to obtain a work of art for well below the usual going rate then the client has made a shrewd investment.

But a Revenue Canada brochure states that "the generally accepted meaning is the highest price, expressed in terms of money, that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other".

In other words, if you were willing to only pay $2,000 for a work of art then you should in all likelihood only get a tax receipt for $2,000, said Robert Kerr, a Montreal chartered accountant who writes for the *Gazette*.

After five or so lean years many artists are desperate to sell their work at almost any price, said Thérèse Dion, a local art consultant.

Rolland's Art–Transit Int. Co. has paid Montreal artist Catherine Widgery 20 per cent of the usual price for her work. "If it is a $10,000 work, I get $2,000", she said.

Similarly, a copy of an Art–Transit artist's contract obtained by the *Gazette* shows that some artists are paid only 18 per cent of their usual rate.

"It seems like a win–win situation", said one Montreal artist who did not wish to be identified. "Museums are happy to get things free. Artists are happy because they have a bit of money in their pockets. So everybody is happy. What is not kosher is that a client is buying it (a work) at below its value, but getting the write off for a different amount".

Still the artist added "I find the whole thing a bit fishy, but everybody's doing it".

According to the documents obtained by the *Gazette*, Art–Transit's warehouse contained, as of January 26, a total of 7,241 works of art.

These include works by several artists.

The documents also show that some of the artists have enormous quantities of works with Art–Transit: Guiangoldo Fucito is listed as having 494; Francine Larivée has 440; and Claude Paul Gauthier has 485.

• (1055)

The point is that while some people say it is a win–win situation, it is good for the artists and it is good for the people getting the write offs. It is profoundly unfair to taxpayers who are granting these people a write off for the full appraised value of the art work. In this case it is art work that was bought for $2,000 but that according to the appraisal is worth $10,000 and therefore the write off is $10,000.

This thing is nothing but a huge rip off. We are talking about over 7,000 works of art in one company alone where this is being done. I have no idea what the value is but it has to be astronomical. This is not fair. This is a rip off.

Previous to 1977 when this legislation came into place people donated works of art, artefacts, sculptures, whatever, because they wanted to give them to museums. They did it for altruistic reasons. They are philanthropic. They did not care about the write off.

There were museums previous to 1977. There were art galleries. There was lots of art in them. According to this article, since before 1977 we have had this problem with these scams. It would be bad enough if that were all there was to it. This tax credit is far richer than one can get if one donates to a regular registered charity.

If one donates to the food bank all one can do is donate up to 20 per cent of total income which is the most one can get a deduction for. However, if an art dealer or someone savvy who knows the tax law can work this deal they can actually write off their entire tax for a year by donating these so–called works of art. To me that is unbelievable.

A gentleman from an art gallery came in front of the Canadian heritage committee in Hamilton. In his judgment most people would give out of the goodness of their heart but there are some people who are on to this. He said it was probably the wealthiest people who would make the biggest contributions to the art galleries and take advantage of this situation.

What we have is a tax avoidance scheme, in my judgment, that permits the wealthiest Canadians to get away with paying little or no tax. That is profoundly unfair.

In the last budget the government was talking at length about how we had to have tax fairness. My hon. friend across the way is nodding. This is not tax fairness. This is not in alignment with any kind of taxation system that treats people the same way. Absolutely not.

Why are we fooling around with legislation like this? We should be rolling this legislation back. We should be bringing in a flat tax or a single tax or a proportional tax, a tax system that treats people equally. We certainly do not want one that treats people who donate art better than people who give to the food bank or to the Salvation Army or to the cancer society. That is ridiculous. How can we justify that? That is absolutely out of the realm of anything that makes sense.

I am sure people are wondering how much this costs Canadians every year. Last year there was something like $60 million in tax deductions handed out. Depending on people's tax situation, it could amount to as much as the full $60 million in actual loss to the Canadian treasury if people did not donate to anything else and it consumed absolutely all their income so they did not pay any income tax at all. That is not realistic, and I recognize that. However, suffice it to say that people did avoid paying millions and millions of dollars in taxation because of

this scheme. That is not fair and that is not right. We should have a transparent system.

• (1100)

Just before the last election there was a bit of a furore in the newspapers about former Prime Minister Mulroney donating his personal papers to the National Archives. Someone said they saw a figure of how much of a tax break he was to get. The gentleman subsequently said he had made an error and he did not know why he quoted that figure. That is not the point. The point is that we have no idea how much people get in terms of a tax break for the donations they make. These things are protected through the Income Tax Act. We have a situation where people are making donations and we have no idea how much they are being appraised for because that would violate their privacy. Is that the best system?

It was not very long ago that someone at the National Gallery of Canada decided it was a good idea to buy "The Voice of Fire". It was an American art piece. It was three stripes. It cost approximately $1.8 million. People went absolutely berserk, and rightfully so. In my judgment it was a complete waste of money.

If we visit the gallery and look at the comment book, people have said over and over again: "The emperor has no clothes". I think Canadians feel that way too. The point is that we know how much money we paid for that piece of art, but for these other things we do not know how much revenue we are forgoing when we purchase them. That is wrong. It should be out in the open. We should know how much we are paying, either through a tax credit or directly for items that are purchased on our behalf by our government. That is how an open democracy should work.

The legislation is completely contrary to that. That is why we should not be fooling around with the amendment to the legislation but should instead be repealing the whole bill. It is absolutely ridiculous.

I want to talk about some of the specifics of the legislation. The legislation offers an appeal process over and above the cultural export review board. If people do not feel they are getting a fair price from the review board for their donation they can ultimately appeal it to Revenue Canada. If memory serves, that was the situation prior to 1993 or 1991, I have forgotten which. At any rate we would be returning to that situation.

I question whether we should have the review board at all. It is another layer of bureaucracy. How are the people appointed to the review board? They are appointed the same way everyone else is appointed to government boards. They are appointed on the basis of who they know. They are appointed because of their connections. It is quite conceivable that a former prime minister, such as Brian Mulroney, could donate papers and have the decision made on the value of those papers by people he appointed to the board. It is ridiculous.

A few times the National Archives of Canada has gone to the board and the board has said this is the value of the former prime minister's papers. We never find out what it is, but those people who may indeed have been appointed by the prime minister are making those judgments.

• (1105)

This appeal process will allow us to go to Revenue Canada and ultimately I suppose to the tax courts. However, our sources tell us that we have approximately 6,000 cases before the tax court today, 6,000 backlogged cases. Why are we bringing more stuff to these people? Why are we bringing more decisions for them to make? I would think there are more important things for those people to be doing than arguing about the price of somebody's dinosaur fossil or their three stripes on a piece of paper, their so–called art.

I make another point about the legislation. I believe the legislation, which goes back to 1977, and the art bank, which falls under the purview of the Canada Council, have worked against artists. They have hurt artists by flooding the market with all kinds of art and alleged art that has no business being out there in the marketplace today. We have something like 18,000 pieces of art stored in warehouses today, stuff that is supposed to be in the art bank.

We have this legislation that encourages art galleries to go ahead and purchase these things because the money is not coming out of their budgets. All they are doing is going to the people at the export review board and saying: "We think this is pretty good. Put an evaluation on it. The guy is going to give it to us. Whether or not we hang it on the wall now or at any time in the future is really irrelevant, because it does not cost us a thing". They are not working with a budget. They can bring in as much of this stuff as they want. The only ones who pay are the taxpayers.

The people in this article say it is a great scheme and everybody wins. It is win for the art gallery and win for the artist, but it is big time lose for taxpayers who are out millions and millions and millions of dollars in revenue. There are no safeguards built in to ensure the galleries and the museums are using their power to do this responsibly. There is no check in place to make sure that happens.

This is horrible legislation. I would argue that before 1977 we had very good art galleries. We were able to hold on to our works of art. We were able to maintain different pieces of important cultural property because people ultimately gave these things to

our institutions over a period of many years. We know they did that.

Surely this new legislation encourages some people to use the system by taking advantage of the tax credits. Also, the legislation encourages us to keep not only Canadian art but American art and artefacts and foreign artefacts of all kinds as well. People are using this to say this is to keep Canadian culture in Canada. We should be accurate here and say that it is also used to buy all kinds of foreign art.

The fact is that people gave art before 1977 to these institutions. In trying to encourage people to give even more we have opened up a Pandora's box. We have allowed all kinds of people to milk the income tax system, to take advantage of it to the point where we now have the Montreal *Gazette* writing articles about it. We really have what amounts to a tax avoidance scheme going on, which obviously costs taxpayers millions and millions of dollars. That is ridiculous.

We have that problem. We have the problem that it is not transparent. We have people donating but we never know how much money they get in the form of tax deductions for their art. We have an export review board that could be appointed by people like the Prime Minister, who will end up passing judgment on things they want to give. We have a problem with the art market being flooded because of this type of incentive, this kind of screwy incentive we have here. We have all kinds of problems with this extra bureaucracy and extra cost to solve what was a very minor problem.

• (1110)

Instead of proposing an amendment that will send this to the tax courts where there is a backlog of 6,000 cases, why do we not just do away with the whole thing? Let us just do away with it. Then we can get rid of all these problems. We will not have the Montreal *Gazette* writing nasty stories about all the scams that are being worked to take advantage of the situation.

We will not have, on the one hand, people in our party and in the Liberal Party campaigning to simplify the tax system and, on the other hand, the government working against that concept by providing tax incentives for the wealthiest of Canadians to take advantage of this system and avoid paying tax. That is crazy. It is so unfair it is unbelievable. I cannot believe the government, the minister, the parliamentary secretary and members across the way are arguing for this type of legislation.

I hope people take the time to write some letters about this. I hope they take the time to contact their MPs and ask how this can be fair.

Let me conclude by saying that although this is a fairly innocuous piece of legislation, when people find out about it they will not be pleased. They will say that when the government spoke in the last budget about achieving tax fairness they believed the government. Now the government is turning around and proposing legislation that is exactly contrary to that. I hope the government will realize that and stop the bill before it goes any further.

Ms. Guarnieri: Mr. Speaker, I rise on a point of order. I wonder if I could have unanimous consent to seek clarification on some of the member's comments.

The Acting Speaker (Mr. Kilger): The Chair can only ask for unanimous consent. The first three speakers have 40 minutes without questions or comments, but with unanimous consent the House can do whatever it so chooses. Is there unanimous consent?

Mr. Mills (Broadview—Greenwood): Agreed.

Mr. Solberg: Mr. Speaker, I rise on a point of order. I would be happy to do that and I will ask my colleagues to consent to do that. However I have to disappear for a radio interview at 11.30 a.m. I have to get back to my office. If we could do this in five or six minutes it would be great.

The Acting Speaker (Mr. Kilger): We will have to. I have to stay within the 40–minute restriction as much as possible. I would hope that certainly would happen.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, when the member referred to the gifts and income tax book he was rather selective in his reading. I wonder why the member did not bother to inform Canadians on how cultural property is actually certified. I wonder if he would be willing to read into the record exactly how they are certified, just so that he does not mislead Canadians into thinking that it is a free for all for everybody and anybody can give anything to any cultural institution.

Would he be willing to read the paragraph on page 18, so as not to mislead Canadians, and the first two paragraphs on page 19, so that Canadians are fully informed? As usual, I find that the Reform Party is rather selective in what it chooses to read out of transcripts.

I reassure the Reform Party that it will secure its place in museums beside the extinct species, with the dodo bird and the dinosaurs.

The member's discourse is somewhat limited in nature. When he was quoting from Mr. McAvity, who is executive director of the Canadian Museums Association, he was very limited in the quotes he chose. Mr. McAvity went on to say that they are the voice of 2,000 museums.

Mr. Gilmour: Mr. Speaker, I rise on a point of order. The member opposite was asking a question. The whole purpose of interrupting the proceedings was to ask a question of my colleague. This is not a question. This is a statement.

• (1115)

The Acting Speaker (Mr. Kilger): I thank the hon. member for Comox—Alberni for his intervention. It is certainly in the spirit of unanimous consent knowing that we do have some restriction given the statement by the member for Medicine Hat that he had other obligations when they accepted the unanimous consent.

Without further ado I would simply ask—

Ms. Guarnieri: I have a point of order, Mr. Speaker.

The Acting Speaker (Mr. Kilger): All we are doing at this point is using up valuable time. I simply ask the parliamentary secretary if she could possibly put the question so I might allow a reasonable amount of time for the member to respond.

Ms. Guarnieri: Mr. Speaker, Mr. McAvity, who represents 2,000 not for profit museums in Canada, said: "We are very pleased to be here today in support of these amendments. The museum community has been patiently waiting for these amendments for several years". He went on to say: "This legislation was universally applauded by Canadian museums as it brought our community in line with those of many other western nations whose governments have been supporting the enrichment of public collections through similar legislation for years". Mr McAvity went on to say even more resoundingly that the Canadian Museums Association came before the committee to voice its wholehearted endorsement of these amendments.

Given all of the above, does the hon. member think he has more expertise than those individuals to judge what is good for Canadian museums? I thank the hon. member for his patience in allowing me to put the question.

Mr. Solberg: Mr. Speaker, I think the hon. member was taking advantage of my good nature a little bit, but that is okay.

I will acknowledge that there are a couple of paragraphs on pages 18 and 19 that do explain fairly specifically that the export review board has to judge an object to be of outstanding significance and national importance because of its close association with Canadian history or national life, aesthetic qualities and value in the study of the arts or sciences in order to be eligible to be designated for a tax deduction. The fact is that $60 million worth of those are designated every year. That is a tremendous amount of money, as the hon. parliamentary secretary would know.

The parliamentary secretary was asking me about Mr. McAvity and the museum association and was pointing out that the museums like the legislation. Of course they do. They have unfettered access to all kinds of things with no budget. They do not have a budget. The museums can basically say: "We would like that work of art or that artefact. We will take it to the review board and get it to tell us what it is worth and whether it is significant. When the board does that, then we get it". It is that easy.

The only one who pays is the taxpayer. It is certainly good for the artist or the person who is donating it because he or she gets that big tax credit. It is certainly good for the museums. Why would they have any problem with this? They probably love this stuff. It is profoundly not good for taxpayers who have to take it in the pocket every time one of these donations is made.

The Acting Speaker (Mr. Kilger): I thank all members who participated in this extension of the debate for their co–operation.

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, before I get into the main body of my speech, I would like to proffer a couple of comments relative to what was said by the hon. member for Medicine Hat.

I did not listen to all of his speech but I did hear a chunk of it. On two different occasions he described the legislation as being horrible and innocuous. I would think the hon. member would find some disparity between those two adjectives, innocuous and horrible.

After listening to him I suspect he probably thinks the legislation is more horrible than it is innocuous despite the fact that this is anything but sweeping legislation. It really is what we might call a technical bill to put back into legislation a review and appeal mechanism, something that was inadvertently left out in 1991.

• (1120)

Again, in commenting on observations made by the hon. member for Medicine Hat, it is quite clear he believes that the free market system can do the job. At one point in his speech he said that we just do not need this kind of legislation at all. He was not only referring to providing an appeal mechanism or a review mechanism; he was talking about the entire system of public support for donations of Canadian heritage to museums.

We would have to be dreaming. We would have to be in full flight of fantasy to believe the museums would do as well without this legislation. Without this incentive, without this kind of legislation, many of the donations to the museums across the country, and we are talking about more than 2,000 institutions, would dry up. This was forcefully put to the committee of which I have the honour to chair by witnesses a few days back.

Let us not fool anybody. This legislation is absolutely necessary. The comments by the hon. member for Medicine Hat truly reveal what the so–called Reform Party feels about supporting cultural institutions and specifically museums. Reform members simply do not support public support at all which is wrong headed. It is a mistake and is not something that is shared by the Canadian public.

I listened to the hon. member and he seemed to plead on behalf of taxpayers, as if he spoke for all taxpayers. While many

taxpayers believe they are overburdened, and in some cases they are, most taxpayers are quite enlightened and support this kind of legislation. They appreciate museums. They appreciate cultural institutions. They support artists of all kinds. They want to reach out and help Canadians in the cultural field. They accept that this is what this legislation is doing.

This is certainly recognized by the museums. If it was not helpful the museums would be saying that, but that is not what their witnesses were saying. They came to the committee and said this legislation is needed and is supported.

This wanders perhaps a little off the bill, but this bill has something to do with preserving Canadian heritage. Everyone knows as well as I do the crisis this country is going through right now. We all know the crisis this country faces and we have a heritage. We have a tremendous history. On Monday we want all Canadians, not just Quebecers, to appreciate this heritage, this history, this land, this great nation. That is what this country is all about.

This cultural property bill is just an infinitesimal part of the efforts of preserving Canadian heritage. I feel very, very strongly that come Monday Quebecers will show that they are going to preserve Canadian heritage in a much greater way through the ballot box rather than through the mechanism of the cultural property bill.

The hon. member for Medicine Hat said he has no idea as to the tax expenditure involved in this kind of legislation. The tax expenditure is in the neighbourhood of about $60 million. Again, it is fully supported by Canadians.

• (1125)

Getting to the main body of my presentation today, we have debated the merits of the Cultural Property Export and Import Act long and hard.

Some time ago the hon. member from the official opposition clearly understood that the lack of an appeal process in relation to determinations of fair market value by the Canadian Cultural Property Export Review Board was the result of an unfortunate oversight. That is really what it is, an unfortunate oversight.

Bill C–93 is a technical bill. As such we must remember that its purpose is to restore a right that was lost when the determination of fair market value was transferred from Revenue Canada to the review board. We are correcting an error. We are removing a mistake that was made four years ago.

The act is even more important and necessary today than when it came into force in 1977. That is because it is fast becoming the only source, and I emphasize the only source, through which institutions can hope to continue acquiring cultural property for their collections. That has to be borne in mind throughout this entire debate.

With little or no acquisition funds, museums are now having to focus on donors to build their collections. Canada is therefore greatly in need of a means to encourage people to collect important examples of our national heritage with the ultimate aim of voluntarily donating to custodial institutions.

The Cultural Property Export and Import Act must be cherished and developed to ensure that the level of collecting of important examples of our heritage continues to increase, not to decrease. That is important.

In the 19th century the function of private collectors gained a new level of importance in the face of the spread of public galleries and museums throughout the world. While the impressionists and post–impressionists were to some extent barred from official public exhibitions, their work was nonetheless being bought by private collectors with or without the mediation of dealers. These works ultimately found their way into public collections only after their position had been established by the art market created by private collecting.

This collecting spirit was not relegated just to contemporary art, but also to the diversity of products created throughout the world. It is thanks to the collectors of the last century and continuing through to today that the public has ultimately been led to an appreciation and understanding of those objects that have come to embody the trends and symbols which define the psychology and history of our development as a civilization.

Collectors are the seers, the wise men of our times. They are the individuals who have foresight enough to recognize what is and what will continue to be of outstanding significance and national importance for generations to come. Custodial institutions for decades now have developed a strong rapport with collectors working alongside them as they collect, often with the ultimate intent to give to the public.

We are seeing in Canada today collectors who have built up strong collections who, rather than automatically giving to the public through public collecting institutions, are faced with the choice of selling those collections for a handsome capital gain or donating them to designated institutions in return for a cultural property tax certificate. However, knowing the limitations of the cultural property determination process and the fact that there is no recourse to appeal the Cultural Property Export Review Board determination, we have witnessed several cases already where collectors are opting to sell their collections rather than holding themselves hostage to the bureaucratic process. It is very important to keep that in mind. If we are to respect and encourage the intent of our collectors to give to the public domain, we must find ways to ease that process. Estab-

lishing a system of appeal to the Tax Court of Canada would be a very important step toward encouraging the concept of making donations in our country, a step that the donors as much as the institutions are anxiously awaiting. That also has to be borne in mind. This is not only important to the institutions and the art community, it is important to the donors. In fact it is important to all Canadians.

• (1130)

Over the past few years, the Canadian Cultural Property Export Review Board has been the object of press articles focusing on the board's reduction of proposed fair market values in applications for certification of cultural property for income tax purposes. These stories, by the way, refer to a small proportion of all certification applications. The review board has responded by expressing the challenge of determining fair market value in these economic times where the markets in which cultural property circulates are extremely weak.

It is therefore crucial that the mandate for determining fair market value rests in the hands of experts who are knowledgeable about the twists and turns, the ups and downs of the marketplace and who know how to relate often conflicting trends in the marketplace to the cultural property applications it has before them. This is a very intricate business and it cannot be left to rank amateurs. If the job is going to be done properly it has to be left to knowledgeable people, people who are experts and people in whom we have confidence. This has been thought out and taken into account.

Mr. Mills (Broadview—Greenwood): Integrity.

Mr. Harvard: Yes, as my good friend from Broadview—Greenwood pointed out, people of integrity are also important.

Speaking of people and integrity, the current review board consists of 10 members, the maximum number allowable under current legislation. These members represent the myriad of players who are actively involved in the process of preserving cultural property in institutions or public authorities who are designated to do so.

Let us go through this. Two of the members are contemporary art dealers. Four members are or were employees of designated institutions who have expertise in archival material, Canadiana, contemporary and Inuit art. One member is an accountant, another is a lawyer and the remaining two members are members of the public at large. Several of the members who sit on the board are also collectors who are fully aware of the dynamics that come into play between institutions that collect and collectors who become donors.

This not something that has been slapped together. This has been thought through very well. When we take into account the composition of the 10–member board we can appreciate the kind of thought that has gone into making up the board.

In my opening remarks I referred to comments made by the hon. member for Medicine Hat. That same member at second reading of the bill expressed concern that a board appointed by the government and consisting of members who represent the community it serves could be—to use his words—too cosy, leading to a scratch my back and I will scratch your back situation. That kind of assumption places subjectivity over expertise and suggests that human beings are by nature incapable of assessing their peers objectively. I think he has underestimated the capabilities of people and perhaps even their integrity.

• (1135)

We are not talking about amateurs, we are talking about professionals, professionals that value and wish to maintain their professional integrity. Further, as is the case with all professional organizations, the Cultural Property Export Review Board has a strict code of ethics to avoid any conflict of interest.

I might add that the transfer of determining fair market value to the board in 1991 was not an arbitrary move, but rather the result of the realization that such determinations can best be made only by individuals who are actively involved in the environment in which cultural property circulates.

The appeal process which the bill proposes will ensure the full use of the expertise available on the board. It is intended that given the thoroughness with which the first stage of the appeal process would be handled through a request for redetermination by a subcommittee, most issues with determinations of fair market value would be resolved and that requests for a further appeal to the Tax Court of Canada would be minimal. In other words, we do not see the two–stage review process being used on every occasion. We believe in most cases that all questions will be settled after the first go–around. Very few of these cases go to the Tax Court of Canada. It is important to keep that in mind. We are not interested in a prolonged process where both stages are used up on almost every occasion. We do not think that will happen.

The second stage of the appeal process necessitates that the donor make an irrevocable gift to the institution. Only the donor would be able to request an appeal to the tax court up to 90 days after the redetermination process is completed. Again we are not talking about people who are in the game for frivolous reasons. They are serious donors.

As with anything new, the first and second stages of the appeal process will be subject to trial and error before an efficient and workable system is developed. In other words, we can see this system, to some extent, maturing. One would hope that after the system has been used for a number of years, it will be more efficient and more mature. I believe that is a safe assumption. As with most processes, over a period of time after they have been used again and again, do get better.

The museum community, as have donors and potential donors, has been anxiously awaiting the appeal process since the original announcement was made by the Minister of Canadian Heritage in November 1994. It was looking for the announcement up until then. It was cheered by that announcement. It has been looking forward to the legislation. It has been looking forward to the passage of the legislation and it has been looking forward to this kind of debate. With a little luck it will be given royal assent in the very near future.

• (1140)

Over the past year and a half the review board has established positive working relationships with Revenue Canada and Justice Canada to ensure that donations of cultural property are made in the spirit of the act, that is, with a philanthropic end in mind. The board is to be highly commended for the effective action it has taken to discourage the use of the tax incentives under this act as a tax avoidance measure.

Let me point out the kind of regime that has been set up to prevent misuse of donations. Not any Tom, Dick and Harry can come along with any kind of alleged piece of art and give it to an institution and get a tax break. It is not as simple as that.

I want to draw attention to a couple of paragraphs from a pamphlet entitled "Gifts and Income Tax". The Canadian Cultural Property Export Review Board may rule that an object is of outstanding significance and national importance because of at least three criteria: close association with Canadian history or national life; aesthetic qualities and value in the study of the arts or sciences.

This is important. To be eligible to have cultural property certified, an institution or public authority has to be designated by the Minister of Canadian Heritage. The institution or public authority has to have this designation before formally accepting one's gift if one is to receive the maximum tax benefit.

The designation procedure ensures that the institutions and public authorities receiving cultural property are competent, classified, and maintain and preserve cultural property. Designated institutions are also required to make one's gift available to the general public for education, research or display purposes.

I point that out because when I was listening to the hon. member for Medicine Hat, he left the impression, at least with me, that this was a kind of loose set–up that could be exploited by people who really do not want to give pieces of Canadian heritage for philanthropic purposes but just to get a tax break.

I assure the hon. member for Medicine Hat and all Canadians that it is not as simple as that. There is a regime. There is a framework. It will have to be followed correctly and properly if pieces of art are to be accepted and where tax certificates are provided.

I am told that the board has implemented measures to target suspect donations and to make determinations so that supposed donations made with an anticipated profit are unable to receive substantial financial gains. The board has been working closely as well with the Professional Art Dealers Association of Canada to ensure that all appraisals coming before it are fully substantiated with demonstrable sales of comparable works.

As there are fewer tax incentives available to taxpayers today, the board is taking every measure possible to ensure that the tax incentive to donate under the Cultural Property Export and Import Act cannot be used as a loophole. The great importance of this act is the continuing development of our national heritage, and it merits extreme vigilance. The Canadian Cultural Property Review Board, I reiterate, is to be commended for its efforts thus far.

• (1145)

This brings me back to those people for whom the Cultural Property Export and Import Act is intended, the donors, the institutions and the public; three major groups in this equation and we should not forget that.

The purpose of the act is to encourage and ensure the preservation in Canada of important examples of our heritage in movable cultural property. Without acquisition funds to fulfil their mandates to collect cultural property, designated institutions must rely on donors.

As I said at the beginning of my remarks, as much as we respect the marketplace, it is a dynamic place and we would not want to be without it for one minute, sometimes it comes up a little short. When it comes up short we as politicians have to recognize that. In this case we have recognized it because the museums, the institutions, cannot rely on the marketplace through some magical process providing the donations that are so required by these institutions.

It would be nice to believe that the marketplace could wave a magic wand but it cannot, any more than the Leader of the Opposition can. We cannot rely on a magic wand in this case. We have to rely on well thought out legislation which will do the job for the institutions, for the donors and for the public at large. We think this legislation does it.

I remind Canadians that without an appeal process that ensures recourse for determinations of fair market value of cultural property for income tax purposes, donations to the country's public institutions will become paralysed and so will our heritage. Canadians do not want that, not for one minute. That is why we have this legislation. Canadians, the public, would suffer if this were to happen, this paralysis I was referring to.

At a time when museum attendance has been steadily increasing and contributing to the economy of Canada through cultural tourism, we cannot afford to abandon our duty to continue to inspire our people to partake in the cultural harvest of our nation.

Museums are more popular today than ever before. Perhaps this has something to do with the fact that our country is getting older. It is 128 years old. We have a lot of heritage; heritage that has been captured by our artists, heritage that expresses Canada in all of its manifestations. We have a duty to encourage artists, to support donors, to support designated institutions so that this heritage in art form is preserved and protected because we will be a stronger country for it.

• (1150)

Imagine for a moment what future generations of Canadians would think of us if we were oblivious to these facts, if we ignored these facts, if we let these precious pieces of heritage slip through our fingers, allowing these precious pieces of heritage to be squandered. They would condemn us. They would assess us very harshly. However, we would not have to wait for the evaluation or the assessment of history. I think our contemporaries would treat us very harshly.

Canadians know what this country is all about. Canadians know what our heritage is all about. They also know what it takes to preserve that heritage because they know a country is not here for just today, tomorrow, next week, the week after, the month after or the year after. Like so many countries, Canada is here for a long, long time. In recognition of that we have legislation to support our artists, our donors, our institutions and the public at large.

I think all Canadians, all taxpayers, support this. They will not share some of the criticisms we have heard of the bill. Of course no legislation is perfect. As long as human beings are what we are, imperfect, we will often create imperfect legislation. However, I think we have done a good job on this. Certainly the institutions have told us that. The museums have told us that. They came before the committee and praised this legislation. They praised the minister. They praised all of us in the House and they want the job done. They do not want this frivolous talk, this carping from the other side of the House.

Criticism for criticism's sake does not make any sense. If you have something worthwhile to say, say it. To stand up on your hind legs, to carp and to criticize just to fill the air does not make sense. I think the opposition does us a disservice when it grandstands, when it indulges in that kind of talk. We want responsible debate. In some cases we have fallen short of the goal of responsible debate.

Canadians support the legislation and they want it passed. That is all I have to say and I hope we can have this legislation passed as quickly as possible. Canadians want it.

The Acting Speaker (Mr. Kilger): We will now move to the next stage of debate in which members will be entitled to 20–minute speeches subject to 10 minutes of questions or comments.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I am very pleased to rise this morning on Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

The Cultural Property Export and Import Act came into force on September 6, 1977 together with certain complementary amendments to the Income Tax Act. The purpose was to preserve in Canada significant examples of Canadian heritage through the use of a system of export controls, tax incentives for private individuals who donate or sell cultural objects to public institutions, and assistance to institutions in purchasing cultural objects under certain circumstances. Bill C–93 would affect only the use of tax incentives. It is an amendment to the original act.

• (1155)

The legislation will establish an appeal of decisions of the Canadian Cultural Property Export Review Board to the Tax Court of Canada. This bill is being sponsored by the Minister of Canadian Heritage and it is his responsibility through the Department of Canadian Heritage to develop, implement and promote cultural policies that will enable Canadian creators to flourish and Canadian consumers to enjoy and benefit from a wide variety of cultural products.

The federal government clearly has a role in the development of policies and programs designed to encourage the production and preservation of Canadian cultural materials.

In the area of heritage policies and programs the Department of Canadian Heritage provides support and assistance to museums across the country while at the same time ensuring that our national institutions, including the National Archives, the National Gallery, the Canadian Museum of Civilization, the Museum of Nature, the Museum of Science and Technology and the National Library, function in an environment conducive to giving Canadians maximum access to our cultural heritage.

Culture is fluid, always changing and must not be looked on as something rigid or something around which barriers or parameters can be built. Culture is diverse. Customs that may seem strange to one culture will often be part of the daily life of another.

It is for these reasons that it is important these cultures are reflected in the collections of our museums so that others will be exposed to them, will learn from them and will in turn understand them.

The Cultural Property Export and Import Act already serves as a vital instrument to protect Canada's diverse cultural heritage by building strong public collections. Bill C–93 will serve to strengthen this legislation and will help to ensure the history of all Canadians is preserved for future generations.

The amendments contained in Bill C–93 should not be reviewed in isolation but rather as part of a comprehensive policy for preserving our heritage. Historic sites, parks, museums, monuments and historic buildings are all symbols of what makes us unique as Canadians. Their preservation is essential as both reminders of the past and sign posts for where we are going in the future.

Part of the greatness of our history and our heritage rests with not only the deeds of past generations but with national treasures, the artefacts, works of art and personal objects they created. By preserving and displaying these objects in museums the past can continue to live in the present.

The influence of American television, movies and printed materials can blur the distinction between Canadians and Americans and cause us to forget the great achievements of previous generations of Canadians. The preservation of our cultural property and museums, archives and libraries ensures the continuation of a distinct Canadian identity.

According to the Canadian Museums Association there are over 2,000 museums in Canada. These museums range from small, seasonal, one person operations to medium size facilities, as we have in several communities in my riding of Erie, to great urban museums such as the Canadian Museum of Civilization, the Art Gallery of Ontario, the Glenbow Museum and the Montreal Museum of Fine Arts.

All of these museums enjoy national and international reputations because of one reason, their collections. Great collections do not occur by accident but instead develop from careful nurturing and the generosity of donors and benefactors who believe in the importance of preserving Canada's patrimony for future generations.

Critics of Bill C–93 like to say tax incentives for donations of cultural property are tax loopholes for the rich. In saying that they are ignoring the rigorous standards museums, archives and libraries apply to get at these acquisitions. Our cultural institutions do not frivolously accept people's junk and offer them tax incentives. If that were the case the contents of my garage would make me a rich man. On the contrary, they make conscientious professional judgment about what objects or collections are worthy of certification because they are, in the words of the act, of outstanding significance and national importance.

• (1200)

I mentioned earlier that there are over 2,000 museums in Canada. To be eligible to apply to have objects certified as cultural property and therefore made eligible for a tax credit, a gift must be made to an institution that has been designated under the act. But not just any organization that operates a museum or calls itself a museum is eligible to be designated. I am informed that there are only approximately 300 designated institutions in all of Canada. Only a fraction of those 2,000 museums in Canada are even eligible to apply to receive the tax benefits offered by the legislation. That small number of designated institutions is an indication of one of the safeguards that was built into the original legislation and is further enhanced in the bill now before the House.

To be designated a museum, archive or library, it must be a non–profit corporation and have as its principal activity the acquisition and preservation of cultural property. It must also have a collection that interprets and displays to the public. It must have a professional staff and it must be open to the public on a regular basis. This means that before an institution is even able to apply to obtain a tax credit for an object that it wishes to bring into its collection, the institution must demonstrate that it has the ability to preserve that object in perpetuity. The institution must then apply to have the object certified as a cultural property by the Canadian Cultural Property Export Review Board.

Again, the tax credit is not automatic just because a museum or other institution is designated and wishes to add an object to its collection. It must be demonstrated that the object is of outstanding significance and national importance and that it fits within the acquisition mandate of the institution. After that, arm's length appraisals for the fair market value of the object must be obtained. These are provided by evaluation experts who have no association with either the recipient institution or the person donating the object. Again there is a safeguard in the system.

The appraisals are reviewed by the Canadian Cultural Property Export Review Board and it determines the fair market value for income tax purposes. The review board is composed of experts in all aspects of cultural property: museum personnel who are knowledgeable about its significance and the means to preserve it and dealers and collectors who are active in the marketplace and know the prices at which objects regularly sell.

Establishing the fair market value of cultural property or any other commodity is more of an art than a science, and it is inevitable that disagreements will occur. In 1987 in the Ontario high court a judge wrote in his ruling that fair market value was a notional or hypothetical concept, an opinion arrived at by evidence, assumptions, calculations and judgment in the absence of an actual transaction. In such a situation it is obvious why there may be disagreement about the fair market value of a particular object.

Responsibility of the review board to determine fair market value can at times be very onerous, particularly when dealing with unique objects and donations to a wide range of institutions. The experts on the review board recognize this. That is why they fully support the two appeal processes established by

the bill. They understand that it is important for donors of cultural property and recipient institutions to be able to request a thorough review of their decisions through the redetermination process and, if necessary, through an appeal to the tax courts of Canada.

The present law enables the review board to redetermine the fair market value of an object if additional information becomes available. To date this system has worked well, but there have also been cases when donors have felt that further consideration of the information that had been provided was required or that additional emphasis on salient facts was needed. This was not possible if a redetermination could only take place when additional information had been provided.

Bill C–93 removes the requirement that additional information be provided before a redetermination takes place. This means that the review board will be able to revisit its decision at the request of a donor or recipient institution with or without the provision of additional information.

We believe it will be difficult to design a first level of appeal that is fairer or more equitable than this one.

• (1205)

If after a redetermination the differences between a donor and the review board still have not been solved, the donor must complete the gift, if he has not already done so, and may then appeal the determination of fair market value to the Tax Court of Canada. This is an important point, because at the time the appeal is made to the Tax Court of Canada the donor will have made an irrevocable gift to the museum, archive or library. He will no longer be the owner of the object. The cultural heritage of Canada will therefore have been enriched regardless of the tax court decision about the object's value.

What will be at issue in an appeal to the tax court will be the fair market value of the object for income tax purposes. The question of outstanding significance and national importance will have been resolved, and the donor will have made the gift in the knowledge that the fair market value of the donation remains an issue.

Again, those concerned about fairness in the tax system and whether rich people are benefiting from a tax loophole will appreciate that the process, by its very nature, guarantees that the tax system is fair and that it will not be abused.

If donors are prepared to make a gift with the full knowledge that they may receive a tax credit for less than they believe an object is actually worth, they are clearly not being motivated by money or profit when they make a donation. If that is their only concern they can withdraw the gift, sell it on the open market, and no tax credit will be given. This system is a win for all involved.

The amendments in Bill C–93 not only reinstate a previous right of appeal but improve on it by establishing two processes that will permit an open dialogue about the fair market value of an object. We believe the ability to discuss fair market value, a concept that involves evidence, assumptions, knowledge and the exercise of judgment, will lead to better appraisals provided to the review board when it makes its initial determinations. This in turn will lead to a limited number of requests for redeterminations and in all likelihood to only a few appeals to the tax court.

Bill C–93 is being strongly supported by museums, archives and libraries, by collectors and donors of cultural property, by dealers and appraisers, and by the review board. I urge all members of the House to support the bill. The amendments are technical in nature and respond to strong concerns expressed by the heritage community. Their passage into law should be seen as part of the ongoing commitment of the Government of Canada to ensure the preservation of Canada's cultural heritage. This will benefit the culture and heritage of my riding of Erie. This will benefit the culture and heritage of the finest country in the world, Canada.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I rise to make a comment on this important piece of legislation, Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

I congratulate the member for Erie for laying out the provisions of Bill C–93. I want to explain to Canadians in very straightforward language what those provisions mean. It is extremely important for Canadians to note, as was expressed by the member for Erie and by the previous speaker, the member for Winnipeg St. James, that this is not a bill that is directed, as Reform would paint it, to somehow provide benefit to the rich. To demonstrate that, I did a little calculation of what the implications might be.

If taxpayers were interested in making a contribution of a book, an artefact, et cetera, to a museum, library, et cetera, and the contribution were deemed to have a fair market value of $1,000, assuming their original cost of acquiring it many years ago may have been $100, under the current tax act if they were to sell that artefact to a museum they would realize a capital gain of $900. Half that capital gain is taxable. Reform is saying this is a rich man's scheme, so let us assume the highest marginal rate, in which case they would pay tax of $225 on the taxable capital gain. That means that the net cash to the owner of the artefact would be $725 on the sale to the museum of the $1,000 artefact.

• (1210)

The legislation provides a tax credit to the donor of the artefact. If that artefact is shown to have a fair market value of $1,000, the tax credit would be 17 per cent on the first $200 and 29 per cent on the balance. In total, the tax credit or the reduction of taxes otherwise payable would be some $266.

It really comes down to a matter of cash. A straight sale would generate $775 to the taxpayer who sold the artefact to a museum. If a tax credit system is used, the donor only gets $266. In that regard it is clear that those who are prepared to donate to our cultural and heritage institutions assets of value that have been determined by a rigorous process of review and assessment would be receiving in real cash terms substantially less than if they had sold them directly.

If we are talking about true value, as the hon. member for Winnipeg St. James spoke of so well, since our cultural institutions have very little or no real cash to acquire assets this is really the only way to allow them to acquire those assets. It allows those institutions, the libraries, the archives, the galleries, et cetera, to remain current in terms of the cultural and heritage artefacts and documents that are available. It allows them to be competitive. It allows them, as the hon. member for Winnipeg St. James indicated, to continue to attract Canadians and visitors from around the world to visit our cultural and heritage institutions.

It should be clear to Canadians that in Bill C–93 the mechanism of a tax credit allows our Canadian institutions to acquire these items at substantially less cost than if they had to buy them at their fair market value. Considering also the tourism value that is generated through our cultural and heritage institutions, there is no question that the bill provides a very advantageous arrangement for all Canadians.

The hon. member for Erie might want to amplify or comment on the benefit to Canada that will be generated as a result of the provisions of Bill C–93.

Mr. Maloney: Mr. Speaker, my colleague from Mississauga South put forward in a very clear and concise manner the benefits of the tax credit to the cultural industry, as opposed to the loss of taxes. The difference is minuscule.

When I bring my family to Ottawa there is nothing better than visiting the various museums. It is an interesting way to spend a day. Many people come to Ottawa to do that. They should be encouraged to do it, but not only in Ottawa. In my community of Erie there are small museums which are expanding. It certainly provides enjoyment for all people, not only in the riding of Erie but for the tourists who visit us.

The bill can only amplify and increase the benefits we must ensure our cultural community has, not only for ourselves but for future generations.

I had a conversation with the German ambassador to Canada last week. I was asking him about the reunification of east and west Germany. He said that one of the concerns they have is bringing their art objects back from countries such as Russia, where they were carted away during the war.

• (1215)

Preservation of heritage and culture is important to all countries throughout the world. We must not let it happen in our country where we just cut it off as the Reform Party has suggested. It will flounder and die.

Mr. John Loney (Edmonton North, Lib.): Mr. Speaker, I am pleased to have the opportunity again to speak in support of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

As members will recall, the purpose of the bill is to establish an appeal of decisions of the Canadian Cultural Property Export Review Board to the Tax Court of Canada. Members will also recall that this is the reinstatement of a right that had previously existed. I repeat that it is the reinstatement of a right that had previously existed but was lost when the responsibility for determining the fair market value of certified cultural property was transferred from Revenue Canada to the review board.

Some people have incorrectly called tax incentives for donations to museums, art galleries, archives and libraries a tax loophole for the rich. While some wealthy people do benefit from these credits, there are also many people who donate important objects of Canadiana that have been in their families for generations.

According to the Canadian Museums Association, over 60 million people visited museums in Canada last year. As part of their experience of visiting a museum, these 60 million people were able to view objects that are now in public collections because of the tax credits available for donations. Without these incentives, many of these donations would not have been made and the objects would have instead been exported and sold to museums in other countries.

If Canadians and visitors to Canada are not able to learn about our past by visiting museums, the damage to our history and to our identity as Canadians will be immeasurable. Museums, art galleries, archives and libraries are not just warehouses full of objects that never see the light of day. On the contrary, they are lively centres of education and learning where one learns about the past through objects that have been preserved for the present and future generations.

The idea was perhaps most eloquently stated by Sir Arthur Doughty, Dominion Archivist of Canada from 1904 to 1935,

when he wrote about archival documents: "Of all the nation's assets, archives are the most precious. They are the gift of one generation to another. The extent of our care of them marks the extent of our civilization". These words apply equally to the holdings of museums, art galleries and libraries.

Tax incentives that offer partial financial compensation to a donor of cultural property are a small price to pay for the preservation of our national heritage. Through these tax credits, the Government of Canada is able to assist institutions to continue to acquire and preserve significant cultural objects when acquisition budgets are shrinking or non-existent.

It is also important to consider these amendments in the tradition of tax incentives as a means to encourage charitable donations. Income tax exemptions for donations to educational institutions, hospitals and churches have been included in the Income Tax Act since its passage in 1916.

In 1930 these exemptions were extended to registered charities. Tax exemptions for donations to educational and charitable institutions including museums, archives and libraries have therefore been a fundamental principle of the tax policy since income tax was first introduced.

• (1220)

In recent years, the Income Tax Act has been amended so that tax credits now extend to gifts to non-profit organizations that provide housing for senior citizens, Canadian amateur athletic associations, Canadian municipalities, the United Nations and its agencies, and registered national art service organizations. As this list indicates, tax credits are part of an overall fiscal strategy to encourage donations to a wide range of organizations.

Institutions designated pursuant to the Cultural Property Export and Import Act, that is institutions that have demonstrated they meet legal and professional requirements for the preservation of our cultural property, are both educational institutions and registered charities. Tax credits for donations to these institutions are therefore not new but instead are consistent with the history of giving in Canada.

It has also been suggested that tax credits for donations of cultural property are a waste of taxpayers' money because donors are able to get rid of works of questionable importance. This suggestion demonstrates a lack of understanding of the collecting practices of Canada's custodial institutions and of the professionalism of Canadian curators. It also implies that every object acquired by a museum, art gallery, archive or library is automatically certified as a cultural property for income tax purposes.

I would like to address each of these points in order, as an understanding of these issues is key to understanding the importance of the tax credits available for gifts of cultural property.

First, with respect to the acquisition mandates and practices of Canadian custodial institutions, it must be understood that these institutions are established with a specific mandate to acquire and preserve defined types of objects. Museum curators must therefore carefully select which objects they are going to acquire and must be able to demonstrate how they fit into this acquisition mandate. They do not accept just anything or everything. In fact, I have been told by senior museum curators that they turn down as many offers of gifts as they accept.

Second, museums, archives and libraries are staffed by professional personnel who are acknowledged experts in their subject areas. They know what is culturally significant and what is not. They know what should be preserved and what sometimes unfortunately, must be allowed to perish or be exported. They are also keenly aware that their institutions cannot preserve every example of even important cultural objects. In short, professional judgment is applied when decisions are being made about what objects are worthy of being added to the permanent collection.

Third, there seems to be an assumption that when an object is chosen for inclusion in a public collection it is somehow automatically certified as cultural property and therefore is eligible for a tax credit. Again, this is a fallacy. Just as professional judgment is applied to what will be required, it is also applied when deciding if an application for certification as cultural property for income tax purposes should be submitted. In short, only a fraction of the objects that are acquired in any given year receive a tax credit.

To be eligible for certification, an object or a collection must satisfy the criteria of outstanding significance and national importance found in section 11(1) of the Cultural Property Export and Import Act, which states:

> (a) whether that object is of outstanding significance by reason of its close association with Canadian history or national life, its aesthetic qualities, or its value in the study of the arts or sciences; and
>
> (b) whether the object is of such a degree of national importance that its loss to Canada would significantly diminish the national heritage.

It is clear from these criteria that only truly significant objects are eligible for certification for income tax purposes. The decision is not made arbitrarily but rather according to specific legislative requirements that are applied uniformly to all objects that are considered for certification by the review board. It is also worth noting that the decision as to whether an object is of outstanding significance and national importance is made by a board composed of people who are active in the cultural community.

• (1225)

The Cultural Property Export and Import Act requires that review boards be comprised of people who work in custodial

institutions, people who buy and sell cultural property, or people who actively collect objects that are important to Canada's cultural heritage. The review board is therefore a board of experts who are knowledgeable about both the significant and fair market value of cultural property.

When the previous government decided to transfer the responsibility for determining the fair market value of cultural property from Revenue Canada to the Canadian Cultural Property Export Review Board it did so without consultation. Members of the review board were not consulted. Dealers and collectors of art and antiques were not consulted. Custodial institutions were not consulted.

In the course of implementing its new mandate, the review board sometimes lowered the proposed fair market value of cultural property. While this was inevitable and had also been the practice at Revenue Canada, the result was that some donors felt that their donations had been undervalued. When they attempted to appeal the board's determination, it was discovered that the right of appeal that had existed under the Income Tax Act had been lost.

In response to the concerns raised, consultations then took place with members of the review board, dealers, donors and representatives of the institutions that collect cultural property. Their response was unanimous: The right to appeal review board decisions was necessary to ensure that the system continued to work fairly.

Bill C–93 is a manifestation of the will of the people. It is not something that was dreamed up by this government, nor is it an expansion of existing tax incentives for the donation of cultural property. It is instead the reinstatement of a right that was lost in 1991. It is also a tangible demonstration that this government listens to the people of Canada and is prepared to move quickly to correct imbalances and inequities in the tax system.

There has been much talk from members of the third party about fairness in the tax system yet they oppose a bill that is just about that, fairness. The current system with the lack of an appeal of determination of fair market value has been characterized by many people as being unfair. The establishment of not one but two appeal processes will restore fairness to the system. It will ensure that if donors believe they have a legitimate dispute with the review board they will be able to pursue it first with the review board and, if necessary, in the tax courts.

Donations to museums, archives and libraries involve a triangular relationship between the donor, the recipient institution and when certification as cultural property is required, between the donor and the institution on one hand and the Canadian Cultural Property Export Review Board on the other. This relationship is one of mutual respect and co–operation in the preservation of Canada's heritage in movable cultural property. This relationship must also include a mechanism for dispute resolution if and when the participants cannot agree about the value of the gift.

The appeal process of determinations by the Canadian Cultural Property Export Review Board proposed in Bill C–93 will permit any donor of cultural property who disagrees with a review board determination the opportunity to pursue this first with the board and if necessary ultimately with the Tax Court of Canada.

The amendments proposed in the bill should be viewed as a guarantee of the donor's right to natural justice through an appeal to the judicial system if that is warranted. These amendments should also be viewed as a reinstatement of a right of appeal that was lost in 1991 when the responsibility for determining fair market value was transferred to the review board.

• (1230)

We believe it is important that the decisions of government boards and agencies be subject to appeal because even in the honest exercise of judgment, differences of opinion can occur. An open and transparent process with respect to determinations by the review board is essential and the right to pursue the matter in the courts, if no other resolution can be found, is consistent with both the Canadian legal system and the concept of natural justice.

As Canadians we have the privilege to live in a country with many cultures. The material history, the cultural property of many diverse groups that make up Canadian society must continue to be preserved for the benefit of all Canadians. I believe the amendments contained in Bill C–93 will help to ensure this happens and will only improve the already unique Canadian approach to protecting cultural property.

In conclusion, I would urge the support of the House for Bill C–93.

[*Translation*]

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, I listened carefully to the comments by my dear colleague, the member for Edmonton North.

[*English*]

This is a very innovative bill. I have had a chance to review both the comments and some of the supporting documentation provided by the minister of heritage.

I am interested in the comments that my colleague from Edmonton made just a moment ago. In Ontario riding we have many museums and a number of people have donated artefacts over the years. It may come as a surprise to the House that Ontario riding was the riding and the county after which the rest of the province was named in 1867. Previous to that it was Upper Canada and Canada East.

I have a very simple question for the member. Perhaps he could explain to the House some of the significant impacts the bill might have in the area like Edmonton where I know there are many people of various backgrounds who moved there over the years,

[*Translation*]

particularly the francophone community in that part of the country.

[*English*]

Mr. Loney: Mr. Speaker, in response to the hon. member's question, Edmonton and northern Alberta in particular are areas where the descendants of many cultural and ethnic groups coming from many different countries settled, particularly as he pointed out the francophone community.

The amendments in the bill will give the descendants of the people who settled the west, particularly after 1905 when it became a province, the opportunity to pass on to the province, which is now their home province, some of things that their parents, grandparents and possibly great grandparents brought not only from eastern Canada and other parts of Canada when they settled that part of the country but also from their countries of origin.

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, I am pleased to speak in support of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

Throughout Canada publicly funded organizations and institutions are being forced to re–evaluate their mandates, their operating procedures and their very reasons for being with increasing costs and reduced levels of financial support from both the public and the private sectors. The existence of many of these institutions is being debated. In my riding of Victoria—Haliburton it is a great worry for many cultural organizations.

The cultural sector in Canada has developed through a combination of public funding, private funding and volunteerism. In order to meet the targets to reduce the deficit the government believes all institutions that receive public funds must become more self–sufficient.

However, government is not going to just cut them adrift. Instead it will develop structural measures to assist them through this transition period. Tax credits, whether to assist in the development of a distinctively Canadian film industry or for the donation of cultural property to designated institutions such as those available through the Cultural Property Export and Import Act, are the one way the government is able to help through that transition time. It must be remembered that heritage institutions and related activities also contribute to the economy of Canada. The impact of heritage institutions and their activities are increasingly having beneficial, economic impacts on communities across Canada. A recent Nova Scotia study, for example, noted that the economic impact of the six major museums in that province significantly exceeded the direct expenditures associated with the operating of the facilities.

• (1235)

Similarly, data available from a series of studies conducted in Alberta show that spending by visitors to historic sites averaged $50 million annually. These same studies have demonstrated that museums such as the Tyrrell Museum in Drumheller are often the top tourist attractions in a region.

Much of the activities of museums, archives and libraries also support research, knowledge and public education. The research conducted by the staff of these institutions often leads to seminal discoveries and the effect of this can have impact in other areas such as the production and dissemination of CD–ROMs and publications.

Exhibitions also educate the public, create employment and contribute to cultural tourism. Visitors who travel to other cities to view exhibits, stay in hotels, eat in restaurants, shop, attend events, take tours and spend money in a variety of sectors of the economy because they travel to a city or town to visit a museum.

The recent exhibit at the Art Gallery of Ontario of impressionist paintings from the Barnes collection is an excellent example of this and has provided concrete proof of the contribution cultural institutions can make to the economy.

During the three and one–half months this exhibit was on display in Toronto, almost 600,000 people visited the Art Gallery of Ontario specifically to see this exhibit. According to an economic impact study that was conducted afterward, almost $75 million was spent in the province of Ontario on trips or excursions that brought these visitors to the exhibit. This $75 million expenditure created ripple effects throughout Ontario's economy that resulted in the production of $137 million in goods and services.

In addition to these impressive statistics, the Barnes exhibit produced employment and the amount of taxes associated with this event totalled almost $22 million for the municipal, provincial and federal governments.

While these almost 600,000 visitors went to this cultural institution to see an exhibition they also had the opportunity to view works from the permanent collection of the Art Gallery of Ontario. The same is true for visitors to any other museum, art gallery, archives or library. Some of the works on display from the permanent collection would undoubtedly have been acquired as a result of the tax incentives offered by the Cultural Property Export and Import Act contained in Bill C–93.

This represents another side of the economic impact of cultural institutions. The idea that the foregone tax revenue that results from a donation of certified cultural property is some-

how lost money is simply not true. In the first place, the work of art or the artefact that is being donated to an art gallery or a museum will either have been with the donor's family for generations or it will have been purchased by the donor at some point in the past and is now being donated to a public collection.

If, in the case of a work of art, it was bought through a commercial gallery or an auction house, an open market transaction occurred. Money changed hands during that transaction and taxes were paid to governments both in the form of sales tax and income tax paid by the art dealer or the auction house.

Similarly, these objects, often of great cultural significance, were purchased with after tax dollars, that is, with the disposable income of the donor. It is important to remember that a donor of cultural property is not reimbursed dollar for dollar for the fair market value of the donation. Instead a donor receives a tax credit equal to 17 per cent of the first $200 and 29 per cent of the fair market value beyond that. Simple mathematics indicate that the tax refund, the forgone revenue the donor receives is only a fraction of the fair market value of the object.

If a person buys an object with after tax dollars, donates it to a distinguished institution and then receives a tax credit for 29 per cent of the fair market value of the object, it is difficult to see how anyone can fault that individual. They will also have donated it to a public institution where it becomes part of Canada's cultural patrimony that is accessible to everyone.

• (1240)

Members of the third party have objected to tax credits for donations but they have not yet addressed the purpose and intent of this bill. Tax credits are not the issue. In any event, I believe I have adequately demonstrated that tax credits for donations provide an incentive and a modest acknowledgement of a donor's generosity. They do not, as stated earlier, even come close to reimbursing an individual and in fact can contribute to significant revenue gains in a variety of areas of the economy.

It is perhaps worthwhile reminding hon. members that the purpose of this bill is to establish an appeal of decisions of the Canadian Cultural Property Export Review Board to the Tax Court of Canada. It establishes two types of appeal: the right of review of a determination by the review board itself and then, if necessary, the right to appeal to the Tax Court of Canada.

This need for the right of appeal is not new however but a re–establishment of the right of appeal that was inadvertently lost in 1991 when the responsibility for determining fair market value was transferred from Revenue Canada to the review board. There has been concern that the right of appeal would simply add to the backlog of cases to the tax court. We do not know if this will happen but every effort has been made to ensure that it does not. The redetermination process will allow the majority of disagreements to be settled directly with the revenue board.

Is the possibility of adding a few more cases to the workload of the tax court a reason to deny someone that right of appeal when they disagree with a decision that directly affects them? Is this a reason to open the reinstatement of right that was lost and now denies some individuals natural justice through their inability to appeal to the courts? I believe not.

It is also questionable if the reinstatement, and this must be emphasized, of a right of appeal will lead to an increase in appeals to the Tax Court of Canada. This right to appeal existed before when the responsibility for fair market value resided with Revenue Canada. Therefore, it seems reasonable to assume that the tax court is in a position to resume this responsibility.

People from every province and territory have made donations to institutions designated under the Cultural Property Export and Import Act and people from around the world are now able to share in the enjoyments of the works of art, archival collections, books and artefacts that are preserved in public collections as a result.

These cultural institutions both preserve Canada's heritage in movable cultural property and make a significant contribution to the economy. Culture is not a frill enjoyed by only a few people but a valuable economic activity as well. To ensure that it continues to play this vital dual role, our museums, archives and libraries must have vibrant collections that will both contribute to knowledge and attract attention and visitors.

The tax incentives offered by the Cultural Property Export and Import Act are an important means to ensure that the donations of significant cultural property will continue. Without a right of appeal, as contained in Bill C–93, some donors will feel that they have no recourse if they disagree with a decision of the Canadian Cultural Properties Export Review Board and they may not be prepared to make a donation.

The appeal process will contribute to the preservation of Canada's cultural heritage collections of international stature. Both activities are important to Canada as a nation. I encourage all members of the House to support Bill C–93.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have a question for the hon. member. I congratulate him on a very able speech.

The member must know that at second reading of the bill the members of the Reform Party voted against it. Some of us were kind of surprised at that because the bill does something to promote Canada's culture. It does quite a lot to promote Canada's culture I would suggest, particularly the culture that is contained in Canada's museums and art galleries.

Does the hon. member agree with me that the Reform Party policy on this matter is inappropriate and that Reform Party members should be supporting the bill since they must recognize, as we do, that culture is an extremely important part of Canada's political, economic and social life?

• (1245)

The culture represented by Canada's art galleries and museums is a very significant part of our heritage.

Mr. O'Reilly: Madam Speaker, I thank the member for Kingston and the Islands for his question. It is a very interesting one. I could not imagine not being in support of the bill.

Museums, art galleries, archives and libraries in every province and territory benefit through the receipt of donations of cultural property as a result of these tax credits.

I recently sent a collection of postcards, with no value or tax incentive for me, that I received dealing with western history, particularly in the province of Manitoba. It was sent in the 1800s to my riding of Victoria—Haliburton.

I came across it in a collection and managed to pick it up for very little and I donated it to the Canadian Heritage Museum in Manitoba. It sent me a thank you. I should have asked for a receipt but I did not feel the collection had a lot of value.

The collection significantly added to the heritage, the culture and preservation of culture in western Canada. It is very important for an eastern Ontario member to be concerned with western Canada and with the culture of western Canada, with the preservation of the culture in western Canada.

I have a lot of trouble understanding why the Reform Party would not support such a bill. I know quite specifically that the areas those members represent have gained from Liberal members such as me, the member for Kingston and the Islands and the member for London—Middlesex.

Somewhere along the line we have donated without any tax receipt. The collection I donated was postcards, but it was invaluable. I should have had it appraised. I felt it should be in a museum and was something people should be able to enjoy. It is preserved forever instead of being thrown in the garbage or kept in some personal collection where it is not seen.

I also collect guns, much to the dismay of a number of people here. The gun bill is still in the other place. I have a gun that was carried by an army doctor in the first world war. I guess we would call it an oxymoron that doctors were issued handguns in the first world war. I have had recent discussions with the museum in Lindsay to donate that gun. If I am lucky enough to get a tax receipt for it, that would be fair. It is the only one of its kind registered in Canada and therefore should be preserved so that the public can see it.

Even going into the law and order issues Reform Party members seem to stand for, I cannot imagine why they would disagree with the bill. It is necessary. It will help preserve our culture and our heritage, a very important part of the fibre of our country.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I am happy to speak in support of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

The bill, as previous members mentioned, establishes two processes. The first gives the donor or the recipient institution the right to request that the review board reconsider its initial determination of fair market value.

If after receiving a redetermination from the board the donor is still not satisfied, he or she may take the second step of appealing the board's decision to the Tax Court of Canada. The fair market value of cultural property certified by the review board is eligible as a tax credit of 17 per cent on the first $200 and 29 per cent on the balance over $200. The donor can claim the fair market value of the gift up to the total amount of his or her net income and there is no tax payable on any capital gain resulting from this gift.

• (1250)

This is a technical bill, as was mentioned by colleagues earlier. The objective is the preservation of Canada's cultural heritage.

I understand from a tax policy point of view where Reform members are coming from. They have a system of tax reform not unlike my own approach, a single tax system in which they want to flush out from the entire tax act of Canada all the preferences given in the various sectors.

However, until we as a government get involved in total tax reform we cannot deprive sectors of our economy vital to the economic soundness of the country the opportunity of growth and participation in the economy. This is where the Reform Party is short sighted.

If we say to the artists, the cultural community, that we do not want to give them the opportunity to participate in the tax act through tax credits, we cannot say no to them without having the same approach for the energy sector, the forestry sector, the tourism sector and so on. I am philosophically supportive of where Reform members are coming from but they cannot oppose only one sector.

Until we get a commitment from the House for total tax reform we have to continue to do these tax credits on a sector by

sector basis. Otherwise we will be punishing one community while other communities get a free ride. That is wrong.

Do we want to punish the cultural community and let the very wealthy people have the ability to send their kids to ivy league universities where they get tax credits or estate tax redemptions of up to $600,000 on property in the United States? It does not work.

I want to come at the bill from another point of view, what cultural properties contribute to the tourism sector. I will give a specific example of a museum in Toronto which I know the Speaker is very familiar with, Canada's Hockey Hall of Fame. This is an example of a museum that celebrates the cultural soul of the country, hockey.

About three weeks ago I had the opportunity of going through the Hockey Hall of Fame. I was absolutely blown away by the historical relics on display, with the feeling one gets as one goes through the hall of fame and looks at the history of hockey, its contribution in terms of job creation in hockey, the celebration of those magical moments in great Stanley Cup goals and so on. One walks out of that building with a sense of pride which I cannot describe on the floor of the House.

• (1255)

There is another feature to this museum on which we are not dwelling. It is relevant to all museums, all cultural property establishments across Canada. These are tourism assets. The spinoff we bring to our community when we celebrate and package our cultural properties is phenomenal. What industries are affected by these tourism assets? We are talking about hotels and restaurants. We are talking about replicas of these assets manufactured in small craft shops. These cultural property assets and historic museums exist right across the country.

I have been glancing through "On the Road to Quebec", a guide to the sightseeing attractions in Quebec. We are on the eve of a very important decision in our country. As I was going through this guide I could not help but feel emotional about some of the great cultural and historic sights and assets in Quebec. There is a litany of sights, tourist attractions and properties that celebrate the great history and the great contributions Quebec has made to Canada. Just going through those assets in Quebec right now alone make the bill worthy of merit.

I believe many Canadians right now are listening to these debates in the House because we are going through a very fragile time in our country's history. Many members are receiving calls in their offices by people concerned about the referendum on Monday. This is no secret. There have been many newscasts on television and radio and many newspaper articles stating that things are very fragile right now.

To Canadians not living in Quebec, if ever there was a time when they could celebrate the great cultural assets in Quebec, try to travel this weekend to Quebec to visit and celebrate some of these great Canadian cultural assets all over Quebec, especially in the outlying regions. We have great centres where our history and cultural assets are celebrated. This would be the weekend for Canadians, if they could find the time, to go and visit these centres, these communities and these small hamlets. While they are there they can go to the local manor, the local inn, stay for the weekend, talk to the community and express to them our hope and our wish that on Monday they vote for Canada.

• (1300)

If a lot of Canadians did something like that, they would be making a great contribution in making themselves feel comfortable in another region of their country, and probably the Quebecers would welcome it. It has been my experience that the hospitality that Quebecers show, especially to people from outside their province, is first class—the restaurants, the inns, all the activities that go on in Quebec.

I want to reflect for a second on the experience you and I have both had, Mr. Speaker, as fathers whose sons played in the Quebec pee–wee tournament, another great celebration we have in our country. Young boys from all across Canada go to Quebec City every February, a majority of them unilingual English, and play in the Quebec pee–wee tournament. One of the unique features of that Quebec pee–wee tournament is the fact that each and every member of the teams from across Canada lives with a family in a home in Quebec City.

We both know, Mr. Speaker, that there is a very special feeling, a very special emotional attachment that stays with those young men when they finish that tournament and come home to their communities right across Canada. This tournament, which has been going on for almost 80 years now, has been one of the unique experiences young boys celebrate. It is a substantial and concrete example of hockey as a cultural instrument pulling people together in the country.

I have absolutely no difficulty in supporting the bill before the House today. If our culture is strong, if our culture is celebrated in every aspect, our ability to galvanize and stay as a nation increases. In my mind, over the last few years we have had too little celebration, too little promotion of our history, of our culture and all those things that bind us as a nation.

As I mentioned the other day in the House, we have become so preoccupied and so focused on deficit and debt reduction that we are actually melting away some of the glue that has been holding us together as a community and as a country. When we see cultural instruments as just another expense and in the name of deficit and debt we have to cut, we have missed the whole point.

• (1305)

The celebration and support of culture is an investment in the community. It is an investment not only in an economic sense but also in a spiritual sense. If we were to spend more time celebrating that aspect of our cultural heritage, we probably would not have some of those parochial thought processes that seem to be so apparent today taking over the agenda.

I repeat that I celebrate the bill. I support the bill. I appeal to all Canadians who are looking for something to do this weekend to travel to Quebec and look at the great Canadian cultural properties that celebrate not just the heritage of Quebec but the heritage of Canada. It is those kinds of discussions, one region to another, one community to another, that ultimately will lead, I hope, to a great victory for Canada on Monday.

The Acting Speaker (Mr. Kilger): That is a bit out of the norm, but while I would not this day or any other day compromise the integrity or impartiality of the Chair, I want to associate myself with the member for Broadview—Greenwood, particularly his memories of our young boys going to Quebec City for the Quebec pee–wee hockey tournament. I thank him for including me in that statement.

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, I rise today to support and address Bill C–93, the legislation that establishes an appeal for a decision of the Canadian Cultural Property Export Review Board to the Tax Court of Canada.

The purpose of the bill is to amend the Cultural Property Export and Import Act with consequential amendments to the Income Tax Act and the Tax Court of Canada Act to establish an appeal of the determinations by the Canadian Cultural Property Export Review Board of the fair market value of certified cultural property.

In December 1991 the responsibility for determining the fair market value of cultural property donated to designated Canadian museums, art galleries, and libraries was transferred from Revenue Canada Taxation to the review board. The review board assumed this new responsibility at its meeting held in January 1992. No provision for appeal of review board decisions was included in the legislative amendments, despite the fact that the right of appeal had existed when this responsibility was with Revenue Canada.

Donors and custodial institutions expressed serious concerns about the lack of an appeal process. The Department of Canadian Heritage, in co–operation with the review board, then undertook a series of consultations within the community about the need for an appeal process. As a result of these consultations it was agreed that legislative amendments should be prepared to establish the right of appeal to the Tax Court of Canada.

The bill establishes two processes. The first gives the donor or recipient institution the right to request that the review board reconsider its initial determination of fair market value. If after receiving a redetermination from the board the donor is still not satisfied, he or she may take the second step of appealing the board's decision to the Tax Court of Canada.

It is appropriate that the bill is receiving third reading today, October 24, because today marks the 50th anniversary of the United Nations. It was 50 years ago today, within a few months of the end of World War II, that the United Nations formally came into being when its charter took effect. The United Nations has the difficult mandate of maintaining international peace and easing global suffering.

• (1310)

We are also approaching the end of the United Nations world decade for cultural development. Launched in 1988, this decade will conclude at the end of 1997. The purpose of the world decade for cultural development is to promote activities that enhance the cultural components of development and undertake research and pilot projects that focus on the relationship between culture and development.

Through agencies such as UNESCO, the United Nations Educational, Scientific and Cultural Organization, the UN also has responsibility for literacy, education and contributions to scientific and cultural development around the world.

Canada has played an active role in the work of both the United Nations and UNESCO and is recognized internationally for the work it has done to protect the cultural property of developing nations. During the 1960s Mexico and Peru in particular, but many other southern and central American countries as well, experienced heavy losses of cultural property through illicit trafficking. Their appeal to UNESCO for a method to stop this led in 1970 to the UNESCO convention on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural property. This convention, while it deals with measures to prevent the import, export and illicit transfer of cultural objects, places the onus on each country to develop its own measures to protect and preserve its cultural heritage.

To join the international movement to protect cultural property Canada passed the Cultural Property Export and Import Act in September 1977. The purpose of the act is twofold: first, to ensure the preservation in Canada of significant examples of the nation's cultural, historic and scientific heritage; and, second, to protect in Canada the legitimate interests of foreign states concerned with the preservation of their cultural property.

These objectives are accomplished by the following features of the act: first, the establishment of an export control list of defined categories of cultural property, which restricts their

export without a permit; second, the establishment of the Canadian Cultural Property Export Review Board to review applications for export permits and applications for the certification of cultural property for income tax purposes; third, the establishment of income tax incentives for gifts or sales of cultural property to designated Canadian institutions; and, fourth, procedures for the recovery and return of foreign cultural property that has been illegally exported from its country of origin.

In 1978 Canada became a signatory to the 1970 UNESCO convention on the means of prohibiting and preventing the illicit export and transfer of ownership of cultural property. The convention, which contains measures to prevent the illicit import, export and transfer or ownership of cultural objects, places the onus on each signatory country to develop its own legislation to protect and preserve its cultural heritage and to establish measures to facilitate the return of illegally exported cultural property to its country of origin.

The Cultural Property Export and Import Act contains provisions whereby it is a criminal offence to import into Canada cultural property that has been illegally exported from a country that is a signatory to an international cultural property agreement.

Protection of another country's heritage is not sufficient if we do not protect our own. Canada therefore put into place export controls to regulate the export of cultural property from Canada. It is imperative that we discuss here today the control system. It should be noted that any object that is more than 50 years old and made by a person who is no longer living is subject to export control. For such objects, a cultural property export permit must be obtained before they can leave the country.

• (1315)

The Canadian cultural property export control list provides a detailed description of the classes of objects that are subject to control. It divides cultural property into seven categories or groups of objects. The first is objects recovered from the soil or waters of Canada. The second class is ethnographic arts. The third is military objects. The fourth is decorative art. The fifth is fine art. Sixth is scientific and technological objects. The seventh is books, documents, photographs and sound recordings.

To apply for a cultural property export permit, the exporter submits an application to a permit issuing officer who determines if the object is included in the controlled list. If it is not, the permit is issued forthwith. If it is included in the list, the permit issuing officer refers the permit application to the appropriate expert examiner.

The expert examiner must then determine if the object meets the criteria of outstanding significance and national importance found in section 11 of the act which reads as follows: "The object is of outstanding significance by reason of its close association with Canadian history or national life, its aesthetic qualities or its value in the study of the arts and sciences; and whether that object is of such a degree of national importance that its loss to Canada would significantly diminish the national heritage".

It should be noted that if the expert examiner advises that the permit not be issued, the permit officer advises the applicant accordingly. The applicant either retains the object in Canada or appeals the expert examiner's decision to the Canadian Cultural Property Export Review Board.

The review board then hears the appeal and either overrules the expert examiner or affirms his recommendation. If the review board overrules the expert examiner, the permit is granted immediately. If the board agrees with him, a delay period of between two and six months is established.

There is an incentive system. The act establishes the Canadian Cultural Property Export Review Board which consists of nine members plus a chairman. It is composed of two representatives of the public at large, including the chairman, and four members each from the curatorial and dealer collector communities. As such, the board is an independent body of individuals with a recognized knowledge and interest in Canadian heritage.

The work that occupies most of the board's time is not export control. The certification for income tax purposes of cultural property donated to Canadian institutions is of primary concern.

At the time of passage of the Cultural Property Export and Import Act, the Income Tax Act was amended to provide an exemption from the payment of capital gains tax for gifts or sales of certified cultural property. In addition, the value of objects or collections that have been determined to be of outstanding significance and national importance is eligible as a tax credit up to 100 per cent of net income instead of up to 20 per cent of net income that may be claimed as an exemption for charitable donations.

Prior to these amendments, capital gains tax was payable for gifts in kind. Only federal and provincial government institutions could offer tax credits up to 100 per cent of net income.

From 1977 to 1990 the review board had only an informal advisory role in the determination of the fair market value of gifts of cultural property. In 1990 the responsibility for determining the fair market value of certified cultural property was transferred from Revenue Canada Taxation to the review board. This was confirmed by legislative amendments to both the Cultural Property Export and Import Act and the Income Tax Act in 1991.

No provision was made for appealing determinations of the review board. The right of appeal contained in the Income Tax Act was then lost. The need for an appeal process was identified and acknowledged in 1993. By establishing the right of appeal, potential donors will be assured that if they are dissatisfied with

the review board determination, they will have recourse to the Tax Court of Canada.

With the agreement of the Tax Court of Canada, the appeal to the tax court has been made retroactive to January 1992. That provides all donors who have made a gift since the right to appeal was lost and who wish to pursue an appeal with both the opportunity and the legal right to do so.

• (1320)

Determinations of fair market value are now being made by the members of the review board, people with professional expertise in the various domains of cultural property who are also active participants in the various marketplaces where it is sold. These same people already experience an expertise in a quasi–judicial capacity, that of hearing appeals when export permits have been denied. It is only appropriate and sensible therefore that they assume the additional responsibility as they are experts in the subject matter with experience as an appeal board.

An open and transparent process both at the time the review board determines and if necessary redetermines the fair market value of cultural property is essential. The right to pursue the matter in the courts if no other resolution can be found is consistent with both the Canadian legal system and the concept of natural justice.

As we celebrate the 50th anniversary of the United Nations, let us remember that Bill C–93 is very much in the spirit of everything the United Nations stands for. The Cultural Property Export and Import Act has its philosophical roots in the activities of the United Nations because it both protects Canada's heritage and allows Canada to become a signatory to the 1970 convention.

Bill C–93 is about fairness and natural justice, two principles that are fundamental to the United Nations. On this the 50th anniversary of the United Nations, it is only appropriate that all members of this House support this bill.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, over the past few years a number of donors and custodial institutions have felt uneasy about the arbitrary decision making upon which the value of the goods donated to a museum or an art gallery were executed.

In the mind of the member for Central Nova, are the protocol and processes that will allow for due process and the laws of natural justice to take place incorporated in the bill?

Ms. Skoke: Yes, Mr. Speaker. An open and transparent process at the time the review board determines and if necessary redetermines the fair market value of cultural property is essential and the bill provides for that. The right to pursue the matter in the courts if no other resolution can be found is consistent with both our Canadian legal system and our concept of natural justice.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I would like the hon. member to expand very briefly on cultural property and the valuation and benefits to society in her area in particular. Could she expand on the benefits they receive?

I agree with her wholeheartedly that reinstating the right of appeal is necessary. I want to commend her for her comments today.

Ms. Skoke: Mr. Speaker, cultural property valued at approximately $60 million is donated to Canadian institutions each year. In my riding we have the Nova Scotia Museum of Industry which is a very new facility. It is one which is relying on cultural property donations. We look forward to hearing from anyone in Canada who wishes to make a contribution to our industry, science and technology museum.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I too am pleased to have the opportunity to speak in support of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

I also thank my French teacher, Madame Paré, for allowing me to interrupt my class to come to the House to speak on this important bill. To Madame Paré I say:

[*Translation*]

I thank you for being patient with me.

• (1325)

[*English*]

On Friday, October 20, the Ottawa *Citizen* carried a story with the headline: "Museums, historic sites become hot ticket". The story notes that museums and historic sites across Canada have been attracting more visitors and even a little more money.

A Statistics Canada study also discovered that 12,000 full time and almost 20,000 part time employees worked in heritage institutions in 1992 and 1993. In addition to these paid employees, over 54,000 people volunteered their time to work in these same heritage institutions. These people are all working for one purpose and that is to ensure that Canada's heritage is preserved and that it is preserved in public institutions where it will be available for the enjoyment of all Canadians.

Few collecting institutions today have any funds to purchase objects for their collections. As a result, they must rely on donations. The tax incentives available for donations to custodial institutions that have demonstrated they meet professional standards is one way in which the Government of Canada is able

to provide assistance to ensure that their collections continue to reflect Canada's heritage.

Donations to registered charities are eligible for tax credits, although the total value of gifts to charity in any one year cannot exceed 20 per cent of net income. Donations of cultural property that have been found to be, in the words of the act, of outstanding significance and national importance are eligible for a tax credit up to 100 per cent of net income and are exempt from the payment of capital gains tax.

That does not mean they receive a tax refund equivalent to the fair market value of their donation. Non–refundable federal tax credits are based on 17 per cent of the first $200 of value of the donation and 29 per cent of any amount above that. When the exemption from capital gains tax is added to this, the best possible tax treatment a donor may receive is a refund equivalent to 50 per cent of the fair market value of the object or collection they are donating.

A donation to a museum means that a donor is donating both significant cultural property and 50 per cent of the fair market value to the institution. It would be more profitable to sell an object in the open market than to donate it to a cultural institution. Tax credits are a fiscal measure that provide an enticement and an acknowledgement of the importance of the donation, but they are not meant to represent financial compensation.

I will give a very brief example. I know that many Canadians who are watching the debate really want to know whether or not this is some sort of a scheme for rich Canadians, as the Reform Party would like to characterize it.

If a taxpayer had an object of art with a fair market value appraised at $1,000 and that object of art cost only $100 when it was acquired many years ago and the taxpayer sold that object of art to a museum for the $1,000 fair market value, it would generate a $900 capital gain, half of which is taxable. On that capital gain, even at the highest marginal rate, $225 in income tax would be paid. That means the net proceeds to the donor would only be $775.

If we compare that to the tax treatment that is being afforded to the donor under Bill C–93, the donation of the $1,000 artefact would generate a tax credit of 17 per cent on the first $200, or $34, and 29 per cent on the remaining $800, or $232. In total, the cash value of the refund to the taxpayer would only be $266. That should be compared to the $775 they would have received had they sold the object outright.

In brief, what it really means is that the libraries, archives, museums and other cultural and heritage institutions of Canada are able to acquire for substantially less very important artefacts and cultural and heritage items for Canada. It is much more than they would be able to afford by paying the fair market value in cash.

• (1330)

Approximately 1,100 applications for certification for tax credits are received annually with a total fair market value of approximately $60 million Canadian. Because this is a tax credit it results in forgone revenue of approximately $25 million to $30 million annually. However, when compared to other tax incentive programs this is a very small amount of forgone revenue and has an impact far beyond the dollar value of the cultural property that is being preserved.

Much of the cultural property being donated because of these tax incentives would otherwise be lost to Canada, as it would be exported and sold on the international market. By keeping these objects in Canada and in public collections they become part of Canada's heritage.

Approximately 300 institutions in every province and territory of Canada have their collections enriched each year because of the existence of these tax credits. The Cultural Property Export and Import Act therefore plays an important role in the development of heritage collections in Canada. It encourages donations of significant pieces of our patrimony to the people of Canada through public collections and these donations are forever for our enjoyment and for the enjoyment of our future generations.

The legislation was meant to promote private donations as a means of indirect government support when acquisition funds could not be sustained. Many Canadians are unaware of the important role played by private collectors in the preservation of our national heritage. Objects formerly from private collections now enrich our public museums, just as the great museums of the world have been supported by private individuals for centuries.

In Canada we have our own unique examples: the donation of Sir William Van Horne to the Musée des beaux–arts de Montréal; the Zacks bequest to the Art Gallery of Ontario in Toronto; the collection of Lord Beaverbrook, now proudly displayed in the Beaverbrook Art Gallery in Fredericton; Dr. Norman MacKenzie's collection, which forms the basis of the collection of the MacKenzie Art Gallery in Regina; the magnificent and diverse collection of the Harvey family, which is now in the Glenbow Museum in Calgary; and the generosity of the Koerner family to the Museum of Anthropology in the University of British Columbia.

These museums now house the collections of their benefactors and founders. Some even owe their existence to these private individuals who had a passion for collecting a strong sense of Canada's history. Because of their generosity and their decision to enrich our heritage these works are now preserved and will be appreciated by future generations of Canadians as

they appear in exhibitions and are made available for research purposes.

Government has a legitimate role to play in these transactions and must facilitate the movement of cultural objects from the private to the public sector by taking reasonable steps that will encourage philanthropy.

Without the tax incentives offered by the Cultural Property Export and Import Act, collectors would cease to make donations to museums, archives and libraries and would instead sell their collections to the international market.

There is a perception that it is only wealthy Canadians who have objects or collections to donate to our museums, archives and libraries and that only the wealthy benefit from the tax credits for donations of cultural property. This is simply not true. It is not true because of the reasons outlined by the hon. member for Erie, the hon. member for Central Nova, the hon. member for Winnipeg St. James and the hon. member for Broadview—Greenwood, all who so eloquently spoke on behalf of this bill and on behalf of Canada's cultural heritage.

As a result, museums in Canada, from the smallest local historical association museum in rural Canada to the major collecting institutions in Vancouver, Toronto and Montreal are the product of a collective belief. The Cultural Property Export and Import Act and the tax incentives it offers for donations nurtures that belief and contributes to a shared vision of Canada.

In 1991 the Income Tax Act and the Cultural Property Export and Import Act were amended so that the responsibility for determining the fair market value of certified cultural property was transferred from Revenue Canada Taxation to the Canadian Cultural Property Export Review Board. Through an oversight the right of appeal that had existed in the Income Tax Act was not transferred at that time. As a result this right was inadvertently lost. Bill C–93 will reinstate the right of appeal that existed until 1991. That is what the bill does. It reinstates the right of appeal that existed before 1991.

• (1335)

It does not extend the existing tax benefits for donations of cultural property nor does it make any fundamental changes in tax policy. The appeal of determinations by the Canadian Cultural Property Export Review Board proposed in Bill C–93 will permit any donor of cultural property who disagrees with a review board determination the opportunity to pursue this first with the board and, if necessary, with the Tax Court of Canada.

The amendments proposed in the bill should also be viewed as a guarantee of the donor's right through natural justice to an appeal to the judicial system that it is warranted. The decision to transfer the responsibility for determining fair market value to the review board was made in haste and without consultation with the people it affected the most, the recipient institutions and donors.

The government learned from the mistake of the previous government and has consulted widely with the donors, museums professionals, dealers and members of the review board. During this consultative process we learned that many collectors were discouraged from making donations because they did not wish to become involved in a process they had perceived to be unfair.

The museum community is very pleased with the approach that has been taken with this bill and is convinced an appeal is necessary to ensure that donors will continue to support their institutions by making donations of cultural property.

The bill establishes two appeal processes, one that involves a reconsideration of all the relevant information by the review board and another that involves a formal, legal appeal to the tax court. The bill goes even further to ensure fairness with the agreement of the Tax Court of Canada. The appeal to the tax court is made retroactive to January 1992. Every donor who has made a gift since the right of appeal was lost and who wishes to pursue an appeal will have both the opportunity and legal right to do so.

The amendments proposed in Bill C–93 are extremely important because they offer a remedy to a situation that need not exist and should not exist. The right of appeal is a fundamental right and the bill proposes to re–establish a right that was lost through an oversight. These are technical amendments but are critical to the continued preservation of Canada's heritage.

That concludes my formal remarks on the bill. I am very happy to stand in support of Bill C–93. I reiterate the rationale for the bill which is the reason I am here speaking to the House. The debate that has been going on, particularly by the opposition, the third party, has tended to paint those who donate cultural and heritage artefacts to our institutions as people who are doing something wrong, people who are rich, people who are taking advantage of a situation.

In the example I outlined to the House it is very clear that in terms of cash in their pockets, those who have made that wonderful gesture to contribute part of Canada's heritage to libraries, to archives and to museums are doing it for much more than cash in their pockets and for substantially less than they would otherwise receive should they have sold those artefacts for fair market value.

I compliment the parliamentary secretary and the member for Mississauga East for her excellent work on getting the bill through the House. I know of nobody that is more fiercely loyal and supportive of the Canadian cultural and heritage institutions. She has demonstrated that with her work in the House and by her extensive travel across the country promoting Canada.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I have one brief question for my friend from Mississauga South who was an accountant in his former life.

The bill before us responds to the concerns of the artistic donor and custodial community with respect to review board procedures as well as to concerns that donations of cultural objects are sometimes made for the purpose of tax avoidance. In his experience as an accountant has he seen widespread use of the legislation for the purpose of tax avoidance?

• (1340)

Mr. Szabo: Mr. Speaker, I thank the hon. member for Erie for his important question. As a chartered accountant, having operated a practice for over 25 years, I must admit that I have not seen any reports or cases come before the courts with regard to problems of donations of cultural property.

The process outlined in the bill is a rigorous, independent one by people who are in the business of cultural and heritage artefacts and items. The process is meant to ensure fairness and equity in our tax system for Canadians who wish to make donations of cultural and heritage property. Because of that rigorous process there is no question in my mind that the determination of the values for tax purposes is fair and reasonable and represent fair values for all Canadians.

Some members have described this process as a win, win situation. It is win, win for all parties. Museums and other cultural institutions will be able to acquire for the enhancement of their collections important artefacts and objects of art for the enjoyment of all Canadians at substantially lower values than they would have to put out should they have to purchase those at fair market value.

That alone creates a situation of leverage. That leverage situation means that we get much more for the dollar. Donors of cultural property are not getting cash out of the deal. They are not getting, whether it be directly or indirectly through taxes on the transaction, more by the tax credit method. In fact, they are getting less. They are getting less than they would otherwise.

It is fair to say that people who come forward and donate, and the figure is some $60 million a year, are not doing it because they are out to get something out of the system. They are, in fact, putting back into the system much more. It is a tremendous expression on behalf of Canadians who have been fortunate enough to acquire assets and objects of art that they are prepared to contribute to Canada, so that all Canadians can enjoy our wonderful heritage.

It is timely that we are talking about cultural and heritage artefacts. No province could be more proud of its cultural heritage and its contributions to Canada than the province of Quebec. At this point, as a member and as a Canadian, I would congratulate it for the wonderful contribution it has made to the Canadian culture and heritage. It is an outstanding example of what we can do as Canadians together. For that we should all be thankful.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I would like to ask a question of the hon. member, but he has disappeared.

The nature of Canadians is to give and support institutions within their communities, both at the lower level and to the senior levels of the museum chain. A country is known by its culture, not by its material aspects, and what it leaves behind for the world. Little by little the artefacts have been gathered together by small museums at the local level, the provincial level and the national level.

• (1345)

Does the hon. member feel strongly that the bill will ensure that those who give those valuable artefacts whether to museums or to art galleries would be given fair compensation under the rules of the Income Tax Act as the bill is presently written?

Mr. Szabo: I thank the member for the question and the comment.

Fair compensation is a relative term. For some Canadians fair compensation has to do with money. Bill C–93 provides for a tax credit mechanism with regard to the treatment or the non–treatment of capital gains. The donors are really getting only about 50 per cent of the equivalent of the fair market value. The donors are not getting in monetary terms fair compensation.

When $60 million worth of artefacts are donated to Canada it must mean there are a lot of Canadians prepared to make those contributions so that all Canadians can enjoy the cultural and heritage artefacts we have.

Their compensation is knowing we live in the best country in the world and that we want to share it with all Canadians and with all who visit our great country.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, today we are continuing to debate the merits of the Cultural Property Export and Import Act.

When the act came into place in 1977 the time was ripe for lengthy debate on the measures necessary so that the symbols of our cultural heritage were not only recognized but preserved. In 1977, 10 years had already passed since Canada celebrated its centennial and it was time to take a hard look at who we are as Canadians, what we are as a country and consider what Canada could possibly become in the next 100 years.

The Cultural Property Export and Import Act was brought into force very much in keeping with the spirit of encouraging the development of our nation not simply for nation's sake but as a nation that can hold its own beside its neighbour to the south and among its neighbours that make up the world; to encourage the

development of a nation we call Canada, which peaks the interests of other nations.

If we consider today is the future, 30 years into the next 100 years of our existence as a nation, where do we stand today? We stand as a nation that can and does attract people from all over the world either to visit this country or to invest in it. Canada as a nation is respected around the world. Foreigners are impressed that despite our geographical vastness we are holding strongly together. Despite the diversity of our cultures we are keeping together. Despite the disputes we have had and will continue to have we are growing stronger together.

As we celebrate the 50th anniversary of the United Nations we in Canada are celebrating our commitment to developing all of those aspects integral to civilized nations.

Standing here today debating the merits of the Cultural Property Export and Import Act makes us sound like cultural barbarians; to think that we have to justify measures that have been in place for almost 20 years, measures that confirm our commitment to work with the United Nations to stimulate cultural growth, academic excellence, scientific achievements, beauty and peace and harmony.

How can we begin to presume that accomplishments and achievements can take place in a vacuum where the means to create awareness of progress are non–existent. Imagine our nation without our museums, art galleries, archival institutions. Imagine our 2,000 museums without collections that live and breath and grow to reflect who we are and how we are placed in the context of the rest of the world.

• (1350)

Imagine our nation without any symbols, without the pride our people can take in these symbols and share with our neighbours. Human nature is about interaction, linking history, the arts, science and our personal impressions, and sharing these linkages with our friends and colleagues so that we continue to learn, continue to seek, continue to live and continue to exist.

Let me point out some examples of symbols of our national heritage which thanks to the provisions of the Cultural Property Export and Import Act are now being preserved in Canada and, more important, are being exhibited to the public for the world to see and from which to learn.

In 1992 the Art Gallery of Ontario was successful in repatriating to Canada a magnificent painting by Franklin Carmichael, one of the founders of the Group of Seven, with the assistance of a grant provided under the terms of the very act we are here discussing today.

To give a sense of the importance of this painting, the Group of Seven in their day were regarded by the public as radicals, off the wall, artists who produce works of questionable artistic merit. As recently as the 1920s Canadians found the bold and confident landscapes painted by the Group of Seven what we might call too difficult. Imagine that, a Group of Seven painting being too difficult at a time when the rest of the world has already gone beyond landscapes, when impressionists had already been putting challenging images on the canvas for the past 50 years. Nonetheless, Franklin Carmichael was a central figure in the development of the decorative symbolist wilderness landscape that actually led to the formation of the Group of Seven.

The painting the Art Gallery of Ontario succeeded in bringing back from England is a brilliant example of the kind of radical painting in Canada in the 1920s that Carmichael was so instrumental in bringing to public attention. Here was one painting that was so instrumental in giving the Group of Seven public recognition. This painting has therefore become a symbol of how one object, one artefact, can have such an impact on the further development on how the public perceives art.

To see this painting hanging in the Art Gallery of Ontario today is only one example of how important it is for us to open our minds and our hearts to those who have the courage to introduce us to new ways of doing what we as citizens have been doing since we were born. To have access to the formative symbols of the past is integral to the definition of the present and to the assurance of the future.

In the bill the establishment of an appeal should be viewed as a reinstatement of the right of appeal that was lost when the responsibility for determining fair market value was transferred to the review board in 1991.

These amendments will ensure that donors who disagree with the determinations of the review board will have the right of appeal to the courts and will not be denied natural justice.

The announcement of the establishment of an appeal process was received positively by donors, museums, art dealers and the media. These legislative amendments therefore enjoy a high level of public support.

The amendments are technical in nature and respond to strong concerns expressed by the heritage community. Their passage into law should be seen as part of the ongoing commitment of the Government of Canada to ensure the preservation of Canada's cultural heritage.

Further, I think of the Art Gallery of Windsor, of the many functions in my riding and in the neighbouring ridings in Windsor and Essex county, Art by the River in Amherstburg, Art in the Park in Windsor and many other charitable events. I know of the many dedicated volunteers who assist in these events and other displays of our culture. I also know the thousands of people who visit them benefit from the culture and the experience.

The Art Gallery of Windsor has now moved into a shopping centre. At first it was met with large opposition but now it is in the shopping centre and thousands of people are visiting it.

More and more young Canadians are having the opportunity to see these displays of culture. More and more people are benefiting from what is being recreated in this act, continuing to be allowed their contributions worth up to $60 million a year open to all Canadians in public institutions, institutions that promote our culture and our heritage.

• (1355)

During the summer when I was in Jonquière I had the opportunity to visit a display in Chicoutimi by a local artist. We have to remember how important it is to all of Canada to encourage Canadians to understand and benefit from the cultural aspects and to continue on. We are only in the 30th year of the next 100 years. There are 70 more years to go. I know that in Windsor and Essex county we continue to do that on a regular basis.

Art in the Park, for example, started small and has grown to such a large capacity it is now offered it in the winter as well. Thousands of people come through on Saturdays and Sundays and take the opportunity to purchase art. Many people in the local community have now taken and used art as a fundraising activity. Donations of art are used for auctions and other activities. It is important that we re-establish the appeal rights that were lost. The right of appeal should never have been lost. Unfortunately the last government decided that as a Canadian citizen one did not have that right of appeal.

We in this government believe that the right of appeal in all subjects is very important. No one should be denied the right of natural justice. When they do donate something they should be given their true value in the amount of effort and donations. I believe the value is many times more than the fair market value actually is of the object because thousands of people will come to see these objects in years to come and will all benefit from them and will go on from there.

Hopefully Windsor and Essex county can be a model for what is happening now and into the future.

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 5 p.m. tomorrow, at which time the bells to call in the members will be sounded for not more than 15 minutes.

STATEMENTS BY MEMBERS

[*English*]

QUEBEC REFERENDUM

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, the people of Guelph—Wellington are proud to be Canadians. They look forward to a no vote on October 30.

Last year over 1,000 Guelph—Wellington residents signed a petition urging the Leader of the Opposition not to promote separatism when travelling abroad. Many other constituents have contacted my office expressing their hope in a united Canada and reminding Quebecers they are an important part of our country.

• (1400)

Members of the Bloc and the separatists in Quebec like to remind us of what is wrong with Canada. In Guelph—Wellington we like to remember and celebrate what is good about living in the best country in the world.

Guelph—Wellington residents know that Canada is great. We urge Quebecers to remember that the United Nations considers us to be the best and to vote no on October 30.

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PRIVACY OF INFORMATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the Privacy Commissioner of Canada estimates that Canadians have their names crunched through various computers, back and forth across the continent, about five to ten times a day. He further estimates that the buying and selling of personal information is a $300 million a year industry. This is a serious threat to the privacy of Canadians.

The Information Highway Advisory Council released a report last month pointing to the need for legislation ensuring personal privacy in the growing area of information technology. The

Government of Quebec has led the fight to protect personal information by regulating the selling of name lists. Quebec's bold Bill 68 is designed after similar legislation in western European countries.

This Thursday Bill C–315 will be introduced in the House for second reading debate. Bill C–315 accurately reflects the growing need to protect Canadians' control of their personal information. Members of the House will have the opportunity to debate the issue then. I look forward to participating in the debate on Thursday.

* * *

CANADIAN UNITY

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, as the referendum date draws near I would like to acknowledge a package received from a grade 13 politics class at Mayfield Secondary School in the riding I serve. Not only have over 450 students signed a petition stating the importance of Canada's unity, they have also put together a video cassette in which they have voiced their concerns over the referendum as well as their love of the province of Quebec. This is being sent to a secondary school in Quebec.

All Canadians are concerned about the Quebec referendum and its long term effects on Canada. Canada is not whole without Quebec, and it would be in everyone's best interest that Canada remain united.

We should realize that all Canadians, from the youngest to the oldest, have an enormous stake in the country. Our youth are concerned. They have every right to be. The rest of their lives hangs in the balance of the referendum. Canada's youth should not be overlooked or disregarded.

* * *

UNITED NATIONS

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, today, October 24, is an anniversary that celebrates peace over war and unity over division. Fifty years ago 31 nations from around the globe ratified the UN charter. It was on that day that Canada and other like–minded countries sought to ensure the peace and security that had proven so elusive to their generation.

Today every Canadian from Quebec to Newfoundland to British Columbia can take pride in the accomplishments of Canada within the UN as exemplified by prominent Canadians like Lester Pearson, Major General Roméo Dallaire and Mr. Jules Deschênes at the World Court in The Hague. All have helped to build a strong and flourishing reputation for Canada.

The UN espouses the principles of unity and co–operation. As we approach an uncertain time in our own history, let us remember how we as Canadians have promoted such principles. October 24 marks an opportunity for all of us, from coast to coast, to reflect on what a united country can achieve and what a divided country will certainly lose.

* * *

[*Translation*]

CHÉTICAMP COMMUNITY RADIO

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, on Sunday, I took part in the official opening of CKJM, the new community radio station that has just gone on the air in Chéticamp and the Cape Breton Highlands.

This is the conclusion of five years' work by Normand Poirier, Angus Lefort and Daniel Aucoin and many other volunteers, who wanted to give Acadians in the area their own community radio as a means of local development. Their efforts were backed by the Government of Canada and strongly supported by the 5,000 or so listeners in the station's coverage area.

The opening ceremony was followed by a show featuring a variety of local musical talent. The show proved the point, if proof is required, that French language and culture are very much alive in Chéticamp, Grand–Étang, Saint–Joseph–du–Moine and many other places in Nova Scotia.

The Acadian people here have roots, language and culture in common with the francophones of Quebec. They fervently hope they will continue to have a country in common after October 30.

* * *

FREE TRADE

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, Claude Cheysson, former French minister of foreign affairs and former commissioner of the European Community confirmed yesterday that the European Union could sign a free trade agreement with a sovereign Quebec. Mr. Cheysson thus recognized Quebec's special position between North America and Europe.

• (1405)

Free trade agreements will soon be signed between the European Union and Mexico and Tunisia. The idea of strengthening Quebec's position as a special European partner in North America is particularly attractive.

So, as Quebec enjoys special ties with its North American and Latin American partners, could it be that Canada alone has yet to comprehend the virtues of partnership? The Government of Canada has been trying unsuccessfully for some time now to sell the idea of a free trade agreement between NAFTA and the European Union. Perhaps a sovereign Quebec will succeed where Canada has failed.

S. O. 31

[*English*]

CANADIAN UNITY

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, last weekend my wife and I visited Montreal, where her family lives and where she grew up as a francophone and raised her own children.

When we crossed the bridge back into Ontario her heart was heavy and the tears flowed. She is Canadian and Quebecois. She does not want to be anything else.

[*Translation*]

As a Canadian by choice myself, I do not want to lose my country. For goodness' sake, Quebecers, say no to the song of the separatist sirens. Your hopes for a strong and powerful Quebec may be met within Canada.

[*English*]

We Reformers in the west know what they want. We want the same. We want a smaller, less intrusive federal government. Together we can have it. Together we can get rid of the arrogant centralists with their failed visions. Together we will build a new Canada.

* * *

[*Translation*]

CANADIAN CITIZENSHIP

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, the honours and advantages Canadian citizenship confers upon Canadians are too numerous to list. Our country is a model for the international community and the envy of hundreds of millions of people.

Canada could not have become the great country it is without the will and determination of the women and men, in Quebec and in the other provinces, who have worked unceasingly to attain the common goal of constructing a country in our image.

The wonderful thing about Canada is that it allows all of us to be proud of our status as Canadians, while not preventing us from being proud at the same time to be francophones, anglophones, and Quebecers.

This coming October 30, the people of Quebec will renew with pride their confidence in, and attachment to, Canada by voting no.

* * *

QUEBEC

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, Quebec is now one of the world's most modern and most industrialized societies. Quebec's expertise is widely recognized in a number of sectors and its products are increasingly sought after throughout the world. The people of Quebec enjoy a considerable standard of living, education is universal, and health care is one of the jewels in our crown.

The Quebec of today owes its success to the quality, ingenuity and determination of generation after generation of Quebecers. All of these accomplishments, all of this progress by Quebec, have taken place within the Canadian federation.

This coming October 30, Quebecers will refuse to compromise what it has taken them centuries to build. They will choose Canada; they will vote no.

* * *

FINANCIAL MARKETS

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the Minister of Finance is feeding the uncertainty on financial markets by claiming that sovereignists do not want a sovereign Quebec to continue using the Canadian dollar. However, there is absolutely no doubt that a sovereign Quebec will continue to use the Canadian dollar and that it is in the interests of both Canada and Quebec to maintain a currency union.

A sovereign Quebec will continue to use the Canadian dollar and, as the Minister of Finance himself pointed out, it cannot be prevented from doing so. A sovereign Quebec will also assume its fair share of the federal debt. If the Yes side wins, Quebec and Canada will be well–advised to start negotiations immediately on the sharing of the debt and federal assets.

The finance minister of Canada has a responsibility to contribute to the stability of the markets and to refrain from spreading doubt and uncertainty the way he is doing now.

* * *

• (1410)

UNITED NATIONS ORGANIZATION

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, Canada is proud to join all other nations in celebrating the 50th anniversary of the birth of the United Nations Organization.

We take particular pride in marking this anniversary, since Canada was directly involved in the founding of the UN. To Canada, the UN is an example of co–operation and openness.

It is no easy task to bring together daily some 200 countries with widely divergent interests and ask them to work on finding and developing ways to improve the lives of the people of this planet. Like the UN, Canada has always appreciated the advantages and potential of a relationship built on tolerance and the acceptance of diversity.

Today, Canadians are gathered together to wish a long life to the UN and to a united Canada.

REFERENDUM CAMPAIGN

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, during the referendum campaign, I had the opportunity to travel to Quebec, where sovereignist posters showing possibilities through symbols are everywhere.

I do not understand these ads.

One poster, for example, seems to convey the message that, if Quebecers vote Yes, peace becomes possible. But we already have peace. Vote No and it becomes a certainty.

The posters say that a Yes vote would make the Canadian dollar a possibility. Vote No and it becomes a certainty.

Vote Yes and the economic union becomes a possibility. Vote No and it becomes a certainty.

Vote Yes and NAFTA becomes a possibility. Vote No and it becomes a certainty.

Why trade certainties for possibilities? It will be up to Quebecers to decide, and to live with the consequences.

* * *

REFERENDUM CAMPAIGN

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, we are only a few days away from the referendum. Quebecers will soon have to decide whether or not they want to leave Canada.

Before making a decision, they should know that Canadians from the other provinces do not want Quebec to separate. Quebec is more than just one province among others. It is the very source of our history, our culture, our identity.

Through its politicians, its thinkers, its reporters, its artists, its athletes, its entrepreneurs, its trade unionists, Quebec has always been closely linked to Canada's development.

On October 30, Quebec will say No to Canada's break–up and decide to carry on its exciting adventure with its Canadian partners and to continue to shape this society, which is the envy of all the people in the world.

* * *

QUEBEC SOVEREIGNTY

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, yesterday, on the American television network CNN, French president Jacques Chirac reiterated his country's intention to recognize Quebec as a new state, if the Yes side wins next Monday's referendum.

This statement by the French president fully supports the comments he made on January 26, when he was a presidential candidate, namely that: "Should Quebecers decide to achieve sovereignty, France should certainly be among the first to tell Quebec that we are on its side".

There is no doubt that if Quebecers vote yes on October 30, the international community, headed by France, will take note and recognize Quebec. That recognition will take place as soon as the National Assembly proclaims Quebec's sovereignty, after formally proposing, in good faith, a new partnership to Canada.

* * *

QUEBEC REFERENDUM

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, with the referendum coming very soon, I want to quote a statement which, in my opinion, reflects what a majority of Quebecers think of Canada.

The quote is as follows: "I am among those who believe that Canada is not exclusively about failures. We did not live together for 125 years only to make mistakes. One of the great Canadian achievements is that we have cared about the poor and that we have tried to share our wealth. We set up social programs which are among the best in the world, and that must be preserved".

That very pro–federalist statement was made by none other than the Bloc Quebecois leader, on June 18, 1993.

• (1415)

Quebecers are well aware of the merits and benefits of Canada. On October 30, they will choose to remain a part of that country by voting no.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Premier Clyde Wells of Newfoundland has entered the referendum campaign to set the record straight for the No side. It is out of the question that Quebec's status as a distinct society should be recognized constitutionally. Meanwhile, the Minister of Finance declared this morning that the distinct society clause should be enshrined in the Constitution.

Of course my question is directed to the Minister of Finance. Could he tell us the government's position on the issue of distinct society? Is it the position he, as the finance minister, took this morning or is it the one taken yesterday by Mr. Clyde Wells, whose position is known to be very close to the Prime Minister's?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, on this side of the House our position is quite clear. We have always said, in fact the Prime Minister himself has said that he supported the concept of distinct society in the past, he supports it today and is prepared to support it tomorrow. The

Prime Minister of Canada himself made that statement in this House. Is that not clear enough?

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since the Minister of Labour was gracious enough to answer the question, I will ask her another one.

When the Minister of Labour says before this House and before all Quebecers who are listening that the Prime Minister is prepared to include in the Constitution the principle of a distinct society, is she referring—and this is my question—to the Charlottetown version preferred by the Prime Minister, in other words, a meaningless concept subordinate to the equality of the provinces and rejected by all Quebecers, or is she referring to the distinct society concept in the Meech Lake Accord, which the Prime Minister opposed? Which version is it, Madam Minister?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, which distinct society is the hon. member for Roberval talking about? Is he talking about the distinct society of Meech Lake, which Mr. Parizeau said at the time was an empty shell? Is he talking about the distinct society of Charlottetown, which the hon. member and the Bloc Quebecois refused to endorse?

Is he talking about that distinct society? Is he talking about the distinct society Mr. Parizeau referred to last week, when he said: "To hell with distinct society, I want the separation of Quebec"? What is he talking about? We on this side are willing to state quite clearly that Quebecers are a distinct society in Canada.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, today, this is a very serious question, a question to which I would appreciate an answer, not this beating around the bush by the Minister of Labour in full view of the whole province of Quebec.

My question—I will give her a second chance, and I would appreciate an answer—is this: Would the Minister of Labour be so gracious and so kind as to tell Quebecers who are listening, when she says she supports a distinct society, does she support a distinct society as defined in Charlottetown, which was rejected by all Quebecers, or does she support the distinct society defined in the Meech Lake Accord? Which one is the Minister of Labour, as a minister of this government, referring to when she says she supports this concept? We would like to know.

• (1420)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Yes, Mr. Speaker, we have a very serious decision to make. It is serious because on October 30, we decide whether or not we will break up Canada. That is what we are all going to do on October 30.

When I hear the hon. member for Roberval, it sounds like he is saying: "Madam Minister, put the distinct society in the Constitution and we will forget about our referendum". I do not think that is what he meant. But the fact is that between now and October 30, we want Quebecers to think carefully. We know we have a distinct society in Quebec, and we are proud of it. We are also proud to be Canadians, and that is why we will say no on October 30.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the premier of Newfoundland, Clyde Wells, said he considered that Quebec was indeed a distinct society but that there was no question of its having any particular status or real powers. These words killed the hopes of the no side, and especially of Daniel Johnson and Pierre Paradis, who are still begging the Prime Minister of Canada to commit himself to including this concept of a distinct society in the constitution.

Will the Minister of Labour admit that the government of Canada could not include the notion of a distinct society in the constitution, even if it wanted to, because there will always be the likes of Clyde Wells, Frank McKenna and Roy Romanow there to tell us to forget about any ideas of a distinct society?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I have never heard a worse example of twisting someone else's words. Never.

Clyde Wells has acknowledged that Quebec is a distinct society. Mike Harris has acknowledged that Quebec is a distinct society. Why twist these facts on the eve of such a serious choice, a choice that concerns all of us, Quebecers and other Canadians both? What is going on? What is going on with the yes side? Are they running short of arguments for selling us on their option of Quebec's separation?

This week is a week of great significance and we must reflect upon the meaning of this vote, and not allow Quebecers to think that they will still wake up Canadian the next morning. This is where the importance of the October 30 vote lies. I would like to see the yes side at least have the courage to tell Quebecers openly what their option is on October 30.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, at least now we know that the Minister of Labour shares Clyde Wells' definition of a distinct society, as does the Prime Minister. Fine then. It goes over very well here in the House, but far less well in Quebec, as the minister is aware.

The people who are getting worried at this point are Daniel Johnson and Pierre Paradis, not those in the yes camp. Those in the same camp as her, her former colleagues if she can still remember.

Would the Minister of Labour have the courage to be frank with her friends in the no group, her former colleagues, telling them that should there be a no vote on the referendum the predictable outcome of the 1977 constitutional negotiations will again be a resounding failure, as the good buddy of the Prime

Minister, and the new–found buddy of the Minister of Labour, the ineffable Clyde Wells, has clearly stated?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, should there be a no vote in the referendum, you will see this country continue the transformation it began 30 or more years ago. And judging by how the people of Quebec have fared within this country over the past 30 years, we have every right to be proud of who and what we Quebecers are. This has been accomplished within the Canadian federation. We have always played a lead role in that federation. And after the no, we shall still be there, continuing to transform this country.

* * *

• (1425)

[*English*]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in the past two days the value of the Canadian dollar has dropped by a cent and a half, interest rates have jumped alarmingly—the bank rate went up by 1 per cent today—and Canadian stock markets have witnessed the worst times they have had in eight years. The separatists are getting a foretaste of the economic consequences of their position.

Would the finance minister tell Canadians in plain terms what a vote against federalism on October 30 would mean for their bank accounts, their mortgages, their jobs and their economic future?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there is a direct correlation between lower interest rates and a higher quality of life. Lower interest rates mean higher retail sales, therefore a stronger domestic market. It means more construction. It means more job creation. It means heavily indebted governments will have more money to spend on the needed social programs.

Markets react very negatively to political uncertainty. I cannot think of greater political uncertainty than arises out of those who would threaten to break up a country.

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard): To answer the member's question, it will lead directly to higher mortgage rates, lower job creation rates, lower retail sales and less money available to governments. In the case of the people of Quebec it also means tremendous uncertainty over the fate of the economic union and over the fate of their creating relationships with the United States.

[*Translation*]

The fact is that a country cannot be destroyed without grave consequences for its people and their lifestyle. Those who deny the consequences of separation deny the truth.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the separatists have been trying to downplay the economic consequences of the instability of the past few days. They have been trying to chalk it up to federalist fearmongering but money markets are not easily swayed by emotion or scare tactics. As the minister says, they react negatively to instability while they react positively to stability, certainty and positive initiatives.

My supplementary question is for the Minister of Finance. Will the minister tell the House what positive steps can be taken to restore the faith of investors and lenders in the future of Canadian federalism?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, fearmongering is the result of those who espouse an option and who are afraid to tell their people the consequences of the option they are espousing.

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard): However, there is a very clear way. It is the only way to reduce this uncertainty. There is only one way to reassure the markets and that is to unequivocally vote no on October 30.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it seems to me there is one other thing that disillusioned Quebecers and sceptical money markets are both missing, which is the good news that Canadian federalism is going to change for the better. Canadians want it to change, the provinces want it to change, reformers in all political parties want Canadian federalism to change for the better.

Quebecers can develop their language, their culture, their resources, their destiny within that federation. They do not need a yes vote and they do not need constitutional lawyers to guarantee that federal security.

Will the finance minister make it clear the federal government is open to substantial positive changes within the federation, changes that do not require constitutional change, so that a no vote can mean both no to separation and no to the status quo?

• (1430)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have been attending federal and provincial finance minister meetings over the course of two years. I can say that without any exception at every single one of those meetings, every finance minister representing his

or her province or territory has expressed fundamentally the need for change in the way in which governments relate to each other, the way in which our economy works and the way in which we approach the next century.

Right across the country, in Quebec most certainly but also in western Canada, Ontario and Atlantic Canada, there is a deep desire for change, progress and improvement. We have seen that in the way the government has acted. Every single government department has begun to change the way in which it operates focusing only on the most essential.

We are seeing it in our new trading relationships and in fact the minister is rarely here. Canada is in the process of opening new trading relationships right across the country. I take that back; the minister is always here in spirit.

It is seen in the way the government is working with small business and the great degree of flexibility.

[*Translation*]

One thing is very clear: we have a choice on October 30 between progress and change for our country or a backward step, as represented by the Yes side.

* * *

CANADIAN DOLLAR

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Finance.

The Premier of Quebec and leader of the Yes side clearly expressed his intention to continue to use the Canadian dollar once Quebec achieves sovereignty. He also committed a sovereign Quebec to assuming its share of the enormous Canadian debt.

Does the Minister of Finance not believe that he too should be clear and, rather than allow uncertainty to pervade the financial community, he should indicate that he has in fact prepared a plan "B", should the yes side win on October 30, as it likely will, which he has stubbornly refused to confirm up to now?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the only thing that is clear in what the separatists say about the use of the Canadian dollar is their ambiguity.

A week ago, the Leader of the Opposition said, at the Ahuntsic CEGEP, that he wanted a separate Quebec to use its own money. A year ago, in Portneuf, he asked what point there was in separating if Quebecers were not going to have their own money. In *L'Actualité*, where it appears in black and white, the Premier of Quebec said that keeping the Canadian dollar was simply a ruse, that he wanted a Quebec dollar. So who is speaking the truth? The Leader of the Opposition today or the Leader of the Opposition last week?

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, that is totally false. The Leader of the Opposition did not say that.

Will the Minister of Finance admit he has a responsibility to make a commitment that, the day after a yes vote, he will argue in favour of negotiations beginning quickly with Quebec to reach a partnership agreement, as the interests of both parties dictate?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have said repeatedly that Canada's interest would be to protect its rights within NAFTA. And, in order to protect its rights within NAFTA, Canada could not sign a special agreement with an independent, that is, separated, country. It is not that Canada would not, it is that Canada could not.

Second, is the member saying that the Leader of the Opposition was incorrectly quoted on *Canada AM*, was incorrectly quoted in Portneuf and that the leader, the Premier, was incorrectly quoted in *L'Actualité* when, in each instance, they said clearly that they wanted to give up the certainty of the Canadian dollar for the uncertainty of the Quebec dollar?

* * *

• (1435)

[*English*]

JUSTICE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, convicted murderer John Lee received an out of court settlement of $12,000 after suing Correctional Service Canada because he was beaten up in jail. Lee's victims, Mrs. Tutin and the rest of the family, received no compensation and are demanding an explanation from the justice minister why he received this out of court settlement.

Why is the justice minister giving money to murderers?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the individual in question sued Correctional Service Canada for negligence after being seized as a hostage by other prisoners and beaten with an iron bar.

He sued for $60,000. When the case came to court, there was a pretrial conference and the presiding judge strongly urged that the case be settled. The case was then settled for $12,000 of which about $8,000 went to the inmate's lawyer.

This was a step that was taken in light of the advice from the presiding judge. The court indicated that a settlement was in order and this is what happened.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, by this action the minister tells an outraged public that crime pays.

There is no justification for rewarding John Lee, a murderer. It is disgusting. A victim's rights must be paramount, yet again the victim's family is forgotten. Justice is when the criminal pays for his crime.

Why does the minister make crime such a profitable business for lawyers and criminals, yet ignores the pain and isolation of the victims?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, Correctional Service Canada is mandated by the law to carry out the sentence imposed by the court. The courts have held on many occasions that if there is negligence in the way that it is done, then there is a cause of action for negligence.

That is what happened in this case. The inmate was taken as a hostage. He was beaten with an iron bar. He sued for $60,000. The settlement that was advised as a result of a pretrial conference by the presiding judge was not $60,000; it was $12,000.

There is no reward for murder or for acting illegally. It is simply a matter of following the precedents in previous cases.

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[*Translation*]

CANADIAN DOLLAR

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Finance.

The Canadian dollar and the stock market are now on a roller-coaster ride as a result of various national and international factors.

Will the Minister of Finance admit that the financial markets' first source of uncertainty and concern about Canada is the enormous size of its deficit and its growing debt, which will exceed $600 billion next year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the last budget was very well received by the international markets. Interest rates have fallen since then. The question we must ask is this: What will occur in four or five days? It is very clear that the referendum debate has had an enormous impact on savings, on our way of life, on job creation in this country.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Minister of Finance has a short memory. Two weeks after he tabled his budget, the Bank of Canada rate reached a high of 8.6 per cent, which was higher than the current 7.65 per cent rate, because that budget was poorly received and because government finances were in bad shape. That is the main factor, as Moody's recognized in January.

How can the Minister of Finance give such answers when the Governor of the Bank of Canada himself declared on October 12, 1994: "It is only because of the high debt and deficit levels that political uncertainty has become another concern"?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, if one listens to currency traders and the other parties involved, the cause of the problem becomes very clear. The hon. member and his separatist colleagues are only doing this in order to dodge the real issues, as their option will create political uncertainty, which will lead to economic uncertainty. The hon. member should say that he is in fact endangering Quebecers' and Canadians' savings, jobs and economic development.

If this has nothing to do with recent events, why has the gap between Quebec and Canada savings bonds increased so much in the past few weeks? It is because the Quebec government refuses to accept its responsibilities, which involve managing for its own people?

* * *

• (1440)

[*English*]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, my question is for the justice minister.

The justice minister recently accused the Ontario solicitor general of pandering to the gun lobby. I have evidence which strongly suggests that the minister is pandering to the Canadian Gun Coalition.

Did the minister provide the Canadian Gun Coalition with copies of letters addressed to him supporting Bill C-68 without the consent of the authors?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, if anyone is pandering it is members of the third party who see, for some reason which escapes the rest of us, some purpose in pursuing this subject at a time when the majority of Canadians and the House of Commons have spoken. We have already enacted legislation to act on the public will.

As to the question which the hon. member puts, I will take the matter under advisement and investigate the facts. I do not have a factual answer at this moment. I will find one and I will furnish it to the hon. member.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I have in my office a package containing a number of letters addressed to the minister from the city of Gloucester, the city of Nepean and

so on. These letters were sent along with a covering letter signed by Wendy Cuckier of the gun coalition to all Ontario MPPs.

Would the minister explain as soon as possible how the Canadian Gun Coalition obtained these letters which were addressed to the minister?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, so desperate is the hon. member for anything to argue in his cause, so profoundly devoid of merit is his position on this issue, that he is now pretending to find in the commonplace events which he described some reason to become righteous and indignant.

The fact is that people, organizations, cities and governments across the country have written to me in support of the gun proposals. My office is flooded with faxes and letters in support of Bill C–68. Those people who write in support of the legislation either expressly or implicitly authorize and urge me to spread around their position so that everyone might know the extent to which these proposals are supported.

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[*Translation*]

CANADA SOCIAL TRANSFER

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

Yesterday, in reference to Canada's future, the minister said that the No side was the one promoting change, as evidenced by the new Canada social transfer.

With this surprising statement, is the Minister of Finance telling Quebecers that, following a No vote on October 30, Canada's proposed change would be the implementation of the social transfer through which Ottawa will, over a two year period, deprive the provinces of 7 billion dollars, including 2.5 billion in the case of Quebec?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first, the figures used by the member are not valid.

Second, the Canada social transfer will provide the provinces with a great deal of flexibility to innovate and find their own solutions to problems.

This initiative truly shows the flexibility of the federal government regarding the involvement of the provinces in social programs. Indeed, what we see here is a fundamental change of attitude for the federal government and for the country, and the member opposite should congratulate us.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, are we to understand that the Minister of Finance believes that tomorrow's Canada is simply a matter of Ottawa deciding and the provinces paying, as confirmed by the establishment of the new Canada social transfer?

• (1445)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, our attitude is reflected in the statements made by the premiers of the other provinces, who not only recognized Ottawa's flexibility but also recognized that the country as a whole wants changes and wants co–operation between the provincial and federal governments, and said so.

Whether the issue is harmonization with the minister responsible for public service renewal, harmonization in regional development or discussions on human resources, all the other provinces are co–operating to improve life for Canadians.

One government refuses to co–operate and will not look for solutions to help its population: it is the separatist PQ government in Quebec.

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[*English*]

CANADIAN RESERVES

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

It seems that budget cuts are threatening the existence of the Queen's York Rangers, a Canadian reserve unit with a 250–year history. A special commission will report in the next few weeks on the future of Canada's reserves.

Could the minister confirm that no decisions with respect to the future of the reserves will be made before the commission reports?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Queen's York Rangers is but one of many distinguished regiments that have contributed much over the years to Canada's security with long and noble traditions going back, in the case of the Queen's York Rangers, to the time before Canada became a country in assisting the British in the American revolution.

This heritage is vital to Canada's military preparedness. Earlier this year when we were discussing the rationalizations taking place in national defence I asked Hon. Brian Dickson, former Chief Justice of Canada, to chair the commission on the reserves but in the meantime gave instructions to the department not to effect any changes that would have an impact on reserve regiments until such time as the commission has reported and the parliamentary committee of the House and the Senate reviews the commission's conclusions.

MINING

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the Minister of Industry.

Two years ago the minister promised regulatory reform to help industry in Canada. Last December he tabled a report in the House in which he offered specific changes to the mining industry in order to help it some time in 1995.

Will the minister table those reforms now, soon or can the mining industry expect something in its stocking by Christmas?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, the Minister of Industry and I are working very closely with the mining sector to ensure an efficient regulatory system.

Last Thursday my department organized in co–operation with the Mining Association of Canada a regulatory reform workshop which brought together representatives of the Minister of Industry's department, the Department of the Environment, the Department of Fisheries and Oceans, and the Department of Transport.

Very constructive recommendations came out of that day–long workshop which we will be working on to ensure that the regulatory regime supports and does not interfere with a viable, productive mining industry.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I think the day–long workshop is already a two–year workshop. We need action more than just words.

New regulations being considered by the environment department have scared officials within the Minister of Natural Resources' own department so badly that they have leaked a 75–page memo to the press saying, among other things, they are scared to death of what this will do. It may harm the Canadian economy, inflame federal–provincial relations and may even affect Canadian sovereignty.

Will the minister table that 75–page memo in the House and does she share the concern of her officials?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me assure the hon. member that neither my officials nor I are scared in relation to what I think he is referring to, the recommendations of the standing committee on the environment.

My commitment as Minister of Natural Resources is to work collaboratively, co–operatively with my colleagues, the Ministers of the Environment, Industry, Fisheries and Oceans, and Transport. At this point I am willing to go on record to the minister that working together we will ensure a regulatory regime that supports the mining industry.

[Translation]

CANADA SOCIAL TRANSFER

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the Minister of Finance.

Despite the efforts made by the government to keep bad news under wraps until the day after the referendum, we know that unemployment insurance and old age pensions will be affected considerably by federal government cuts.

• (1450)

When the Minister of Finance states that a no will make it possible for Canada to continue to evolve since change is already underway, as he says, is he giving us confirmation that Canada will continue to evolve along the path of cuts to education, health, unemployment insurance, old age pensions on which it has already set out?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first of all the Minister of Human Resources Development has indicated very clearly with respect to the whole consultation process on unemployment insurance that it is far from finished, but that our objective is employment insurance, i.e. getting Canadians back to work. That is, moreover, the goal of his reform.

On the other hand, concerning old age security, the Prime Minister has already stated very clearly here in the House that the federal government will never, never do anything to compromise the economic security of our seniors.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, will the minister admit that the federal government's choice to transfer its enormous deficit to the provinces by cutting Canada social transfer payments promises nothing positive for the future if Quebec were to say no, for Ottawa will be the one to set the national standards and Quebec will have to manage as best as it can to apply them, with consequences one can well imagine for social programs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): First of all, Mr. Speaker, with respect to the Canada social transfer, it is very clear that the national standards involved are the principles of health insurance, to which Quebecers strongly subscribe. Secondly, a great deal of flexibility has been built in to allow the provinces leeway for innovation and for tailoring their programs to their own population.

As for dollar figures, the difference between today and the first year will be $350 million, or less than 1 per cent of Quebec's revenue.

[*English*]

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I would like to get back to the issue of gun control which the justice minister says enjoys such wide support.

Opposition to Bill C–68 continues to grow: 100 per cent of the chiefs in the province of Saskatchewan are opposed, 85 per cent of the RCMP in Alberta, justice ministers in four provinces and territories.

Does the justice minister not realize he is destroying the trust people have in the criminal justice system by forcing through a law that a large segment of society, including the police, does not support?

Hon. Allan (Minister of Justice and Attorney General of Canada, Lib.): No, Mr. Speaker.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, last Thursday the Ontario Provincial Police Association at its annual meeting voted on a motion to not support Bill C–68, the gun control bill. That motion passed nearly unanimously.

We have been saying all along that the frontline police do not support the justice minister's bill and yet he repeatedly says he is bringing in the gun registration and that the police requested it.

Now that it is obvious the police oppose gun registration, will he act on the wishes of the police even though they conflict with his personal views?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is telling that on an occasion when the rest of us are engaged in debate on important matters of the future of Canada, when we speak of the economic future of Canada, indeed the future of the confederation, the hon. member for Yorkton—Melville rises to ask questions about the right to bear firearms. It is fitting.

If I must address the substance of his question, the group to which he referred forms part of the Police Association of Ontario which represents all the frontline officers in Ontario. The Police Association of Ontario forms part of the Canadian Police Association. I was present on March 30 of this year in Ottawa when the Canadian Police Association, the national group of frontline officers, debated and voted on Bill C–68 and I was there to see it support the bill.

• (1455)

I was in Markham, Ontario, on August 14 this year when the Police Association of Ontario voted in support of Bill C–68. I was in Regina in late August when the chiefs of police voted in favour. The police of this country are behind this bill.

QUEBEC REFERENDUM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Has the minister seen the text of remarks on the Quebec referendum attributed to French President Jacques Chirac in New York yesterday? Is the minister in a position to comment now on those remarks?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I looked at the transcript of President Chirac's remarks yesterday.

At the outset I want to say it was far from the endorsement the hon. member for Verchères was pretending at the beginning of question period.

President Chirac said: "If the referendum is positive the government will recognize the fact". In other words, the French authorities will arrive at the same conclusion as everybody else, that they obtained the majority. That is all.

[*Translation*]

President Chirac's policy on Canada and Quebec is one of non–indifference and of non–interference, as has always been the case with him and with the French authorities.

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RESEARCH PERIODICALS

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Industry. In July, the Social Sciences and Humanities Council implemented a new policy on funding for research periodicals, which would cut funding to French language periodicals in half.

Will the Minister of Industry confirm that, as the result of the Social Sciences and Humanities Council's new policy, research periodicals in French will bear the brunt of most of the cuts, whereas the ones in English will escape them for the most part?

[*English*]

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, it is important to recognize the important role the Social Sciences and Humanities Council has played in social science and human research. This role is well recognized from coast to coast.

In looking at how it deals with the fiscal situation the council has drawn on its experience and has made very careful, fair and peer reviewed decisions for the best interests of Canada.

CANADIAN BROADCASTING CORPORATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, many people are employed making commercials and videos and that kind of thing for businesses and advertising agencies.

Unbelievably the CBC has recently announced it will be going into direct competition with these private sector audio and video production houses, specifically in Toronto. It is actively today trying to steal their clients. Clearly this is a violation of the CBC mandate.

Why is the minister allowing the CBC to kill jobs in downtown Toronto? Why are Toronto MPs not standing up in outrage about this? Why in the world are we allowing the CBC to kill these businesses which pay the taxes that actually fund the CBC?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, the hon. member does not have to convince the House the Reform Party does not support public broadcasting. The hon. member can lip–sync my answer by now that the CBC is in charge of its own management and makes its own decisions to the best of its ability.

The hon. member should well know that on the committee we have been looking for ways the CBC can look for new efficiencies. That is exactly what it is doing.

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ENVIRONMENTAL PROTECTION ACT

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, my question is for the Minister of Industry.

Since the release last June of the environment committee's proposal to overhaul and update the Canadian Environmental Protection Act, some industry officials have said the committee proposals are a threat to the country's investment climate, costly to implement and grounded on shaky science.

• (1500)

It is important these myths be dealt with.

Will the minister join with his colleague, the Minister of the Environment, who is expected to respond positively to the committee's impressive set of recommendations and take the opportunity to turn Canada into an international leader in green legislation or is he going to accept the arguments of some of the officials in his department and back away from the committee's critical recommendations on pollution prevention?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I can really do no better than to associate myself with the remarks of my colleague, the Minister of Natural Resources. In responding to an earlier question she made it clear that we in government believe that both sustainable development and economic growth are important parts of our mandate as government.

As we prepare the government's response to the standing committee's report, we will ensure the concerns of the sustainability of development are front and centre.

I remind the hon. member that when the Department of Industry Act was introduced in the House it contained a mandate to pursue the objectives of sustainable development. That was a mandate I sought to add to the old industry, science and technology department act. I am proud to say that I was able to introduce it in the Department of Industry Act.

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PRESENCE IN GALLERY

The Speaker: Colleagues, as you are all aware, today is the 50th anniversary of the United Nations. We have in our galleries today some 17 Canadian recipients of the United Nations Association of Canada Medals of Honour recognizing their outstanding contributions to the UN.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESS LOANS ACT

Hon. Herb Gray (for the Minister of Industry, Lib.) moved that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, even before the red book came into being during the last election, the Liberal team in opposition made a commitment that if we were to be given the trust of the people after that election, the small and medium size business community would be the centrepiece of any policy development that would be part of our agenda.

• (1505)

We believed in opposition and we believe now that the greatest hope Canadians have for putting other Canadians back to work rests with the small business community. It is the small businessmen and women who, in many cases with very few resources, created, through their own ingenuity, creativity and sweat and toil, products and services that grew not only into businesses but became a very important and vital ingredient in the economy of this country.

When we were elected about two years ago we started immediately to deal with the number one difficulty that small businessmen and women had in trying to meet their objectives which was getting access to capital.

It is very important for me to recognize the critic for the Reform Party. One of the very unique experiences that we had in the industry committee was the fact that we worked as a team. We have many differences with the Reform Party. I for one do not feel as committed as they are to their attack on the deficit and debt. I find their approach too radical and too swift. However, one issue which we have consistently agreed on is the fact that small business is the hope of this country when it comes to putting Canadians back to work. It was because of our teamwork that we have been able to move an agenda forward on the access to capital front.

The amendments in Bill C-99 before us today, which is an act to amend the Small Business Loans Act, are from feedback we have received from the men and women in the House who have been working on this issue. They are the result of feedback we have had from industry and the banking community. They are also the result of the feedback and the success we have had with the Small Business Loans Act.

Some members will recall when we were in opposition that the then Conservative government initiated, in its last budget, amendments to the Small Business Loans Act. At that time, we supported those amendments because we believed that they were instruments for trying to break up the hardened attitude that many people in the financial community had toward taking risks with small businessmen and women.

This bill is not meant to be a cure all for the difficulties that businessmen and women are having. It is a bill where we told the financial community that we would develop an act in Parliament where 90 per cent of the risk that it takes on a small business project, up to $250,000, the Government of Canada would guarantee if that business should fail.

Since the Small Business Loans Act started, over many years, it has been used to help just under 500,000 small businesses in this country. Many people have had, through this act, the opportunity to take a shot at their dreams, create jobs and ultimately help create the economic fabric of this country.

• (1510)

When the Government of Canada is guaranteeing such a large amount, the number one question obviously is what is the down side for the taxpayer.

Until two years ago, on a loan float of about $3.5 billion, the loss to the crown was approximately $26 million. A loss of $26 million on a $3.5 billion float is pretty respectable. In the last year and a half, the float has increased considerably. The float right now is closer to about $8 billion. On that float, the estimated losses are approximately $100 million.

Because of that increased loan loss, that $100 million, and because of our commitment to fiscal responsibility, the government has decided to listen to the Reform Party, to listen to the banks and others. It has decided that the act has to be redesigned in a way where those costs are recovered.

The essence of this bill deals with a new formula so that those loan losses can be covered. Essentially the three components in the bill to recover the loss on that rather large float would be the following: the major elements would be first, a reduction in the minister's liability to pay a loss on any business improvement loan from 90 per cent to 85 per cent. The second point is the establishment of an annual administration fee and a restriction on the passing on of the fee to borrowers except through interest rates, the establishment of a claim processing fee and the granting of authority to make regulations respecting the release of security taken for the repayment of any business improvement loan.

What we have done is this. Previously the guarantee was 90 per cent. It has been reduced to 85 per cent. If this is the way that the Small Business Loans Act can continue to be viable so that it is not going to be a drain for the taxpayer or a strain on the treasury or something that would generate too much nervousness with officials in the Department of Finance, then I naturally support all these amendments. These amendments are all good, solid amendments.

The most important thing that the Small Business Loans Act did was this. Because all of us worked together on the Small Business Loans Act, it led to another journey that we all went on in the last two years. That journey happened in the industry committee where the Bloc Quebecois, the Reform Party, and government members all worked together on this total review of the difficulties that small business men and women were having in accessing capital.

Members would probably recall that almost a year ago, the committee published virtually a unanimous report "Taking Care of Small Business". That report dealt with all of the various experiences men and women were having when dealing with financial institutions.

• (1515)

All of us in this House heard over the last few years story after story after story of the difficulties many of our constituents were having in dealing with the various banks or other financial institutions. It was through that feedback that we became united in dealing with this issue.

Some of the key recommendations in the report are now being implemented. As of the end of this month there will be a common quarterly reporting chart and statistics on the whole thrust of each individual financial institution's lending to small business by sector, by gender, by municipality and the size of the loan. That kind of accountability is going to change the whole bank culture and attitude toward small business.

That has been the biggest accomplishment of our committee. We have made a very strong impact in causing the men and women who are managing the banks to reflect and review the way they have been dealing with business. Not big business. We all know that whenever big business wants a $500,000 or a $3 billion loan the banks trip over themselves trying to lend those larger businesses the money. In the past few years some of those loans the banks were tripping over each other to give to the larger businesses ended up coming back in their faces, or part of them came back in their faces.

We were not really concerned with the larger corporations. We respect the larger corporations and the job creation contribution they make to the community, but we were concerned with the small business community and the fact that the small business community represents virtually all of the new job creation that is happening in this country. I believe and I know many members opposite believe that those quarterly accountability sessions are shifting the attitudes of the banks.

Ultimately, it does not matter what side of the House we sit on, we are here for one reason. We are here to get the economy of this country going again. The economy is only going to start going again when collectively we can work at creating an environment where business can flourish and give men and women the dignity of a job. That is the most important thing we can be working on today.

It is no secret that there are just under three million men and women who do not have work. I cannot imagine getting up in the morning and not having a job to go to. Many of us here have been blessed with the fact that not only do we have a terrific opportunity to serve our country right now, but we have also had the opportunity to work throughout our careers. Very few of us have felt the pain or the assault on our dignity of not having a job. That assault on dignity is the toughest thing a man or a woman can face. Our number one responsibility is to assist in creating an environment where business can take those risks and chances to get the economy going. That is why we on this side of the House, supported by members opposite as well, believe that whenever we can pass an act of Parliament that will improve on creating more jobs, even if they are minor improvements, then we are on it right away.

• (1520)

It is important that a bill like this does not take a long time to go through the House. That is why it is important to work together. If we can work together and get the proper amendments in this bill, then this kind of cohesion gives confidence to the marketplace and the people who execute this bill, the banks.

This bill is not executed by the government. After it is passed by this House this bill will be implemented by the financial institutions in Canada. The bank managers make the decision as to whether or not that taxpayer guarantee should be given to a small business man or woman. The implementation of the act is totally delegated to the financial institutions. Because of this guarantee those bank managers can take a bit more risk. Ultimately that is going to assist in getting the economy going.

The small business sector represents the greatest hope we have for putting Canadians back to work. It is going to accomplish that once the proper environment is put in place. Also, the small business man or woman does not tend to create a lot of bureaucracy and therefore can be more efficient when operating a small business. They tend to have much closer relationships with the men and women who work with them. The family–like environment which happens in a small business in many cases generates the kind of activity that allows creativity to flourish, that allows productivity, which allows business to create better products at better prices.

That is ultimately the reason our exports are going to be our hope as well. In the last few months our exports have been holding the economy together. Many of those exports, for example in the automotive sector, came from small and medium sized corporations. Some of them are organized in larger institutions but many of them are small, individual plants with a maximum of 30 to 50 workers.

We have to stop thinking of small business in the traditional way it has been thought of in this Chamber. For many years in Ottawa most of the attention was given to the larger businesses. The larger businesses had the resources to come to Ottawa and lobby their MPs or they had the resources through accountants and lawyers to do the work on the basic grants and support systems that were in place. Larger businesses had the resources to get their tax credit put into the tax act because they could afford to lobby the various departments including the Department of Finance.

• (1525)

In the last two or three years we have discovered that a lot of these larger businesses with all the great contributions they have made in terms of job creation and research, are not creating the same kind of economic thrust. Now it is the small business community. Many of us have had to reorient ourselves, go back to basics and reacquaint ourselves to try to understand what the small business community really needs.

Even though I frequently talk about access to capital, there are a couple of other things the government is going to have to address as well. We have to take up the challenge to reduce the paper burden and red tape. How many times do we hear that small business men and women are spending more time pushing paper and government forms than on their own businesses? We have become a nation of paper pushers. We have to realize that along with access to capital we must reduce the red tape and paper burden.

The Department of Industry, the Department of National Revenue and the Department of Consumer and Corporate Affairs have been working very hard in the last few months trying to create a one–all form. They are trying to organize various forms for business. They are working on a system that will be on one form, a simplified system for business reporting on various aspects of government responsibility.

That is also another realization we have come to accept and support as a result of our continued campaign on the access to capital front. In other words, that journey on access to capital has led to the realization that reducing the paper burden is something we must also work on very diligently.

The last thing I will touch on in terms of policy is where small business is crying out for our attention, which is the whole area of tax reform. Small business is telling us that the tax system is complex and inefficient. Many of them argue it is not fair.

As a government we are committed. Our red book stated quite clearly that the whole GST regime we fought so vigorously against in opposition is something the government has to address in its mandate. There is absolutely no way any Liberal member of Parliament could ever expect to go back on the campaign trail to get re–elected unless the whole issue of the GST is dealt with.

My goodness, in opposition we fought against the GST to the point that it nearly caused a riot in the other place. We challenged the government because of the complexity, the paper burden and the inefficiency of the GST. We on this side of the House are working very hard on total tax reform. It is a very complex issue to dismantle an entire structure the previous government set up. As the Prime Minister would say, it is not a matter of saying "poof" and it is gone. It has to be done responsibly, in a way that will not create a bigger problem than already exists.

• (1530)

We believe that dealing with the issue of tax reform is central to the requirements of small businesses and their ability to work in an environment that allows them to maximize their potential. Bill C–99, an act to amend the Small Business Loans Act, is another example of where the government is fine tuning by working with small businesses and the financial institutions and dealing with the financial markets, the currency traders, who have control on our interest rates and our dollar.

There is an issue I wish we could one day debate in Parliament. With the various challenges we take on in the House, whether related to industry, social programs or fiscal responsibility, deficit and debt with all the cutbacks, I would say the one challenge that we as a House of Commons have yet to face is the challenge of how we work with these currency traders who are essentially running most of the central banks of the world. These unaccountable, unelected currency traders move literally a trillion dollars a day, pushing paper, playing the derivative games. I have referred to them before as the private casinos in the financial institutions of the world. These men and women who move that currency around in an unaccountable way are affecting our interest rates, which in turn affect the investment activity and the job creation activity.

I do not know how we can call ourselves a sovereign nation when we think of the fact that we have essentially lost control of our currency. We are sitting here as elected people, but every day we bow down to the currency traders, asking what the dollar is going to be, what the interest rates are going to be.

Do the men and women in this room have anything to do with what goes on with those currency traders? No. Those currency traders are controlling the agenda. No matter how fiscally responsible the government is in the House, they could say that it is not good enough. Then suddenly they give us another squeeze and drop our dollar or cause a jerk in interest rates.

I would love to have a debate in the House one day on how the currency traders of the world manage their affairs and what their accountability is. It would be not unlike the challenge we took up two years ago when we wanted to see what was going on with the financial institutions in the country and what they were doing with small business. These financial institutions were not initially receptive to our exchange, our views and our attempts to try to make their attitude and their culture more responsive to business. However, because we worked together I believe we now have a constructive relationship with the banks. I now believe those banks are actually starting to enjoy the growth and the improvement they are experiencing in their small business relationships.

I would put to the House that an even bigger challenge would be how we could take on the currency traders of the world so we can once again get control of our economic agenda.

In closing my remarks on the bill once again I thank members opposite, members of the Reform Party and members of the Bloc for working with us on these amendments so we can hopefully get them through the House before the end of the week.

This is probably the last time I will be on my feet before the referendum vote on Monday. I appeal to those small businessmen and women who hopefully are watching or are participating in this debate to think between now and next Monday about anything they can do to help make sure this campaign for Canada is won.

• (1535)

I personally believe that one of the things small entrepreneurs can do, because they have flexibility, is maybe find a bit of time to get into their vans, cars or trucks and take their families to visit our great province of Quebec this weekend.

When I was a small businessman I did a lot of business in Quebec, and I never had any difficulty doing work in that great province. I believe that one of the ways we can make sure Quebec votes for Canada on Monday is to make sure that a majority of those people, especially in the outlying regions of Quebec, feel comfortable with those of us who are outside Quebec.

I know it is a precarious moment right now. Things are very tenuous. However, I think the greatest asset we have in the country is people from one region of the country talking to another, one on one, not through television ads. I respect these rallies, but the best way to bring togetherness is when people sit down and have a constructive, warm and caring relationship.

I do not think it is too late to make a tremendous turn in those numbers we all read in the newspapers right now. I believe the best way to turn those numbers is by making sure this weekend, if one is from Ontario and maybe planning on driving north to a cottage or east down to Buffalo or Niagara Falls, to travel instead to the outlying regions of Quebec. Together, when we talk about all the assets we have as a whole nation, we will end up staying together.

Thank you very much, Mr. Speaker, for giving me the opportunity to speak on the bill. I pray God that next week everything is all there for Canada.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity to speak on behalf of my party to Bill C–99, an Act to amend the Small Business Loans Act.

The parliamentary secretary made it very clear that small businesses play a very important role in the Canadian economy and, of course, the economy of Quebec. Both the government of Canada and the government of Quebec have set up programs to support small business, because one of the problems facing people who want to launch a small business is the financing.

Often these people are very keen and have interesting ideas, and if governments do not find ways to support them, their ideas often remain undeveloped and the business never materializes. Both the government of Quebec and the Canadian government have taken steps to provide assistance to entrepreneurs.

Of course there are private investment funds in various provinces including Quebec, such as the FTQ's Fonds de solidarité which has some impact in this sector. However, the parliamentary secretary said that today in Canada a total of nearly $8 billion is invested under this program, which is an indication of its importance.

• (1540)

Another indication is the fact that the program is popular among entrepreneurs. In our riding offices, we often see people with good ideas who decide to ask their member of Parliament for information on programs that could help them start a business.

Canada has legislation, the Small Business Loans Act, which was adopted several years ago. This legislation has made it possible to lend money and start businesses. The bill before the House today proposes a number of amendments to this legislation.

Originally, the purpose of this legislation was to provide guarantees for bank loans to entrepreneurs who wanted to start a business. This guarantee could vary from 85 to 90 per cent, and in fact varied from year to year.

The cost to the Canadian government is what it costs someone who wants to guarantee loans. If the individual's business is not as successful as he expected, if he goes bankrupt, then the government of Canada has to pick up the loss incurred by the banks. In 1992, these losses totalled $44 million. The maximum was changed in legislation adopted in 1993 and a number of provisions were changed as well, so that in 1995–96, the government of Canada could be faced with picking up a total of as much as $100 million in losses.

Considering the current state of federal finances, it is understandable that the minister should be concerned and that the debate on small business in the Standing Committee on Industry had to consider this aspect as well.

That is why we have a bill before the House today. The purpose of the bill is to reduce the maximum for guarantees provided by the federal government. The maximum would be reduced from 90 to 85 per cent of the loans approved. By reducing the maximum, the government of Canada is of course reducing its responsibility for amounts to be paid in case of bankruptcy.

There is of course a corollary to all this: if the guarantee is less extensive, people with higher risk projects that may be more innovative will have more trouble obtaining guarantees. This is not unusual, and if the banks are unwilling to take the risk, some projects may be rejected.

In fact, the 85 per cent rate goes back to before the amendments in 1993. It is of course an area where the government could save money. We hope there are no business people with clever and brilliant ideas, who are refused loan guarantees because of this provision.

Also, an important aspect of this provision concerns us in the Bloc Quebecois considerably. With the amendment, the ceiling could be lowered even further, should the government decide to

regulate it lower. As one of my colleagues was saying earlier, for the moment it is at 85 per cent. It could drop to 60 per cent. It could drop to 50 per cent. We really do not know.

What is of concern in all this is that the government is giving itself the option in the bill before us to lower the ceiling by regulation. Government by regulation is reprehensible. I think the House of Commons has to take measures to ensure that the bills passed are good for the country. I think, when legislation gives the government the option to decide things of this importance by regulation, we are running the risk of hurting the country's business people.

• (1545)

There is also another provision in the bill that causes us some concern. Basically the aim of the amendment in the bill is to have moneys paid by the Minister of Finance in the event of a bankruptcy absorbed some other way. In other words, the Minister of Finance does not want to see the $100 million planned for this year back again next year. Another way for the government to ensure that losses are cut or even eliminated is for the program to be self–sufficient.

My colleague, the Parliamentary Secretary to the Minister of Industry, said it well: "How are we going to go about recovering costs?" Administrative measures will be taken. An annual administration fee will be charged. There will also be a claim processing fee.

The bill provides that these administrative fees are not to be paid directly by the business people. It does provide that they can be paid by the business people indirectly. In other words, the interest rates on loans could be raised to cover the administrative fees that the banks would have to pay.

This means doing rather deviously or hypocritically what cannot be done directly.

I would like to think that government finances are important, but the program's efficiency is going to be reduced by this measure. It will be reduced, because the banks are not going to go out of their way for business people. By definition, the banks want to be profitable and they charge the highest interest rates the market will bear.

As a result, entrepreneurs will have to bear higher costs in order to meet program requirements. This is one measure that causes serious concern among the members of the Bloc.

There are some items that we would certainly have liked to see included in the bill which are not there. The Parliamentary Secretary to the Minister of Industry has said that the measures proposed in the bill were discussed in the Standing Committee on Industry and are contained in its report tabled in October 1994: *Taking Care of Small Business*.

Although the Bloc was considerably involved in the drafting of this report and endorsed the bulk of its recommendations, it made a number of comments, in the form of recommendations, amendments or notes, which we felt improved upon the proposals for making the Small Business Loans Act more efficient and effective. One of these proposals was that "the Small Business Loans Act ought to provide guarantees for small business operating capital loans. To implement such a measure, the government should carry out a cost analysis of such a program and take a responsible fiscal approach".

We know that the loan guarantee given is intended to help businesses meet expenses related to very specific aspects such as buildings and equipment, but not working capital. The problem is that, in recession conditions and crisis situations, and as a result of certain changes in the Bankruptcy Act as well, there are many small businesses which need financing for their working capital for a time, but they cannot take advantage of the act as it stands to obtain either financing or a guarantee of financing.

• (1550)

To improve the way we help our small businesses, the Bloc Quebecois would have favoured an amendment saying that the operating capital of a business could also be financed with a government guaranteed loan under the Small Businesses Loans Act.

There are a number of things we find disturbing in this bill. I mentioned the reduction in the maximum rate, which means fewer businesses will have access to the program or those that do may have to meet more requirements. Second, there is the matter of administration fees which we think will be passed on to businesses through an increase in the interest rates they will have to pay. And third, there are aspects that are not covered by the legislation such as the financing of operating capital.

That is why the Bloc Quebecois will discuss the bill in committee, and propose amendments that will probably be along the lines of the comments I just made.

I would like to make a few more comments as I conclude my speech. This may annoy some government members who will probably think that I am not on topic or other members who will say: "Duplication and overlap, here we go again. It is the same old sovereignist or separatist refrain from the Bloc". In any case, as I mentioned in my introductory remarks, in Quebec we have a number of programs with substantially the same objectives. Take the Paillé plan, named after the present Minister of Industry, which also provides for loan guarantees. Take what is being done by the Société de développement industriel du Québec. Since I became a member of Parliament, I noticed that many constituents who want to start a business are told to go to the provincial office and the federal office. In fact the situation is not quite clear. Often there is out and out competition.

Who is responsible for this competition or overlap? I do not want to get involved in all that, but I simply want to point out that there is some overlap that is counterproductive. It does not do the entrepreneurs any good because they often do not know where they stand. And when governments at the provincial and federal levels do not belong to the same party, people often believe that if they go to one government, the other government will be annoyed and that will get them in trouble. I myself have never noticed that since becoming a member, but there are people who think they can play one government off against another or people who think there may be difficulty applying to one level of government when application or representation has also been made to the other government.

So I think that, when measures such as this are before the House, we should note—and I am not saying criticize, but we should at least note—that there are overlaps, which could hurt business people and the government's budget.

The same taxpayers, whether they are from Quebec or Canada, are helping to fund these programs through their taxes. And I really think a number of people use this sort of competition to try to get the best out of both programs. I think, in the long term that governments put themselves in situations where their expenditures under these programs will increase because of the competition, because of the overlap and because people try to take advantage of the opposition or even the competition between governments.

With bills like this one, it is important to point out problems of overlapping created by such programs.

In concluding, I would like to make one comment. More and more in the business community in Quebec and Canada, in the government and even in the Liberal Party, which did not follow such policies in the past, we are hearing talk of how the government should step aside, and the people who go into business should take on their responsibilities.

• (1555)

There is a movement to re–establish the laws of free competition, to promote globalization, to pare down the size of government. The Minister of Finance is often seen to support such ideas.

When the time comes to make cuts in social programs, in education, in unemployment insurance, we hear "the government is overspending, it is too costly, the government must interfere less and less in the economy". On the other hand, when we come to bills like this one, when we realize that when it comes down to it the government is guaranteeing eight billion dollars worth of loans this year, and I think that the legislation allows up to $12 billion. We realize that the neoliberal discourse of the governments was the same; it is the Liberals this time, but it was the same thing when it was the Conservatives. I cannot see much difference in practice between the policies of the former Conservative government and those of the present Liberal one. They both took a neoliberal stance, calling for government to withdraw from the economy, but yet when we get down to practicalities, to instances where according to the very theories they espouse the government's presence might be questioned, then we see that they are continuing the same kind of intervention as before.

Not that I condemn such intervention—the Bloc Quebecois is in favour of a healthy government involvement in economic affairs—but, on examining the bill and everything that goes with it and looking at what the Small Businesses Loans Act has done in the past, despite the fact that it has been extremely effective and much appreciated by entrepreneurs, I am forced to conclude that the government is saying that cuts must be made, the government must withdraw. In situations like these one realizes that not only is the government not withdrawing but it is even becoming increasingly involved.

A few years ago there were $2 to $3 million in loan guarantees annually, and this year the figure will be $8 billion. Perhaps, the way things are set out, the figure next year will be even higher. There is one big question mark: the government is acting in such a way that it will not cost anything on the budget. All the better, one might say. It is the banks and the entrepreneurs who will pay, but basically it is the government which gives the guarantees but wants to arrange things so that it will cost nothing. In the long run, the businesses themselves pay, because of the interest rates charged on the loans.

One wonders really what purpose these programs serve. This morning I was looking at the industry committee's report "Taking Care of Small Business". Experts appeared before the committee stating that there was no certainty that businesses started up under the projects in question would not have started up anyway.

I heard, in fact I listened carefully to the speech made earlier by the Parliamentary Secretary to the Minister of Industry. He talked about a lot of things, but I would have appreciated it if he had tried to be more specific about the rationale underlying this bill. Is it effective? Is it true that about three–quarters or at least half of the businesses that were started with the help of this legislation would have been started in any case? What use is a program that guarantees loans but which basically does not cost the government a penny? We could say this is wonderful, it does not cost the government a penny, but on the other hand, if that is true and if the impact is neutral, why is the government involved in this kind of program?

Do not get me wrong. As a member for the Bloc Quebecois, I will debate the bill in committee, we will ask questions and we will propose amendments, but I am very disappointed that a government that wants to make cuts everywhere and has not

done so in this sector although, according to its ideology, it probably should, has introduced a bill like this one.

I am very disappointed when a government introduces a bill providing for measures that, as was pointed out in the standing committee, were ineffective, and in the presentation given by the parliamentary secretary is incapable of proving otherwise.

• (1600)

One wonders what the government is doing. Basically, it extends legislation, changes maximum guarantees and tinkers with details. Personally, I think this kind of legislation is effective and that the government has a role to play in the economy, but I would have liked to see the people who administer or claim to administer billions of dollars of taxpayers' money be more consistent and more credible when they introduce bills like this one.

We will probably vote against the bill, considering my comments on this legislation, but once again, in concluding, I am inclined to be rather wary of a government that again is asking us to extend and restructure a bill, although it is incapable of demonstrating the bill is effective and produces the desired results for entrepreneurs and the Canadian economy.

I will conclude my speech after comments that have indicated I am somewhat disillusioned with a government I thought would be more consistent in the way it manages the affairs of the state. After two years as a member of the House of Commons, one becomes increasingly convinced there will have to be some major changes made in Canada, starting with the Canadian federation—or with the government that now claims to head that federation.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I stand to enter the debate on Bill C–99, a bill to amend certain sections of the Small Business Loans Act.

I want to pay particular tribute to the Parliamentary Secretary to the Minister of Industry for his very kind remarks and his description characterizing the industry committee that dealt with the report "Taking Care of Small Business", which was tabled about a year ago, and also some of the recommendations in the report, some of which are included and recognized in the bill.

I would like to follow up on some of the suggestions he made about the significance of small business in the economy of Canada. It is not a secret to us or anybody who follows the economy of Canada that approximately 80 per cent to 85 per cent of the new jobs created in Canada are created by small business. When it comes to the Small Business Loans Act it is precisely that sector of our economy that this act addresses. In my opinion, these amendments are not sufficient. They do not go far enough and some of them are counterproductive.

We must recognize that in the new economy that is developing, the important issue and the characteristic of a business is the ability to apply knowledge in a way that will provide for new services, new products, and particularly the application of new technology and the most recent discoveries of science. It is very clear that in the globalization of the economy and in the international competition that is developing it will become increasingly significant that the science and the technology of a nation will become a determining factor in that particular competitive environment.

One critical factor in developing the ability to transfer knowledge and apply it to new products or new ways of processing and doing things will require a skilled and very knowledgeable workforce. That does not come by accident. It comes as a result not only of good technical schools and good universities, but begins in primary school, kindergarten to grade 12. It is here that we need to change our educational system so that it will become far more geared to science and technology, and particularly the science area, and that we all become sensitive and recognize that it is really science that is going to make the difference in the next century.

• (1605)

We also know from past experience that it is the small business that is most able to apply this new knowledge, because it is not fettered with all this bureaucracy. It is not fettered with all these regulations and things that are internal and the internal politics that stand in the way of new ideas and adapting to change. We need to develop that kind of awareness and recognize that it is the small business group that is going to be the leader in this particular area.

The whole idea of small business rests on entrepreneurship. Unfortunately, today in this country we have what is known as bureaucratic entrepreneurship. We all know what that is. That means that a bureaucrat sees how many more bureaucrats he can get under his supervision. That will mean that his salary and power will increase. Therefore, the entrepreneurship is one of developing larger and larger departments. We have a very well developed entrepreneurship orientation, ability, and skill level in that area. However, we do not have that same level of expertise, that same skill, that same fully developed attitude in the developing of entrepreneurship in business and the application of knowledge to produce new products and adapt to new processes in developing those products.

Right down into the kindergarten level, all the way up through the universities, we need to develop this attitude, this orientation toward entrepreneurship. The Small Business Loans Act is directed precisely to that area. We must recognize that the Small Business Loans Act is not a new idea. It has been around since

1961. It has been amended many times. It was designed in the original instance to provide for innovation to our economy in Canada.

I want to hearken back to a moment ago when we talked about developing entrepreneurship, the skill and so on. We now need to recognize that it is this legislation that initially was designed to do just that. We should look at some of the provisions of this particular piece of legislation and ask ourselves whether the new amendments will facilitate or will stand in the way of that kind of development.

We all know that small business has as its major impediment to further growth and development, very often in its initial establishment, access to capital. There are two kinds of capital to which business requires access. One is equity capital, which establishes the machines, the facilities, and those kinds of things. The other is loan capital. There are two kinds of loan capital. Usually it is centred around operational capital, which allows the business to operate from one day to the next. We discovered in the last year that even though everybody says there is all kinds of capital available, we have story after story of business telling us that it is the access to capital that is its stumbling block. It is not getting the access it needs.

I want to draw to the attention of the House some of the elements that came to our attention when we studied this problem in the industry committee.

With the amendments that were implemented in 1992, the loans provided under the Small Business Loans Act increased dramatically. Between 1993 and 1994 the number of loans grew to 42,500 from 13,000 in 1992. The new lending reached almost $2.5 billion and averaged $58,500 per loan, from a previous average of $37,000 per loan.

There was a sad note in the evidence that was heard before the committee. A 1988 study concluded that two–thirds of the loans would have been made even without the government guarantee, which at that point was at 90 per cent. Since the revisions, however, Mr. Al Cotton of the Toronto–Dominion Bank told the committee that 75 per cent of the bank's small business loans would not have been made in the absence of the guarantee. Shortly after his presentation, Mr. Kluge of the Canadian Imperial Bank of Commerce stated that most SBLA lending would have been granted in the absence of the program, but that in certain high risk sectors, such as new restaurants, the guarantee was important.

• (1610)

We were left with a dilemma. Here we had two bank officials from two of the major banks, one saying that the loans would not have been given without the guarantee of the loans act, another bank official saying that they would have been granted. It becomes a real dilemma. Did this loan act really produce the kind of result desired or did it not?

Mr. Mitchell: Sure it did.

Mr. Schmidt: My worthy opponent says of course it did. He comes from one of the banks that was not represented by those other two, so I suspect he would agree.

The cost of administering the program exceeds 2 per cent of administration, which is another problem. At the present time the Small Business Loans Act tacks on to the loan a 2 per cent administration fee, which becomes part of the principal and can be amortized over the length of loan, or I suppose the individual can pay it off up front if he wishes to do so. In any event, the 2 per cent is not sufficient to cover the loss or the administration of the loan.

The third point is institutional loans. Under this provision it suggests the loan level is rather high in this way of doing business between financial institutions and their various lenders. I want to draw the Haines–Riding study into this a little later in my remarks, when I will get into this in more detail.

I now want to go on to the specific provisions of this act as it is before the House today. The first of these is the reduction of the government's liability from 90 per cent to 85 per cent. In other words, the loan guarantees are now no higher than 85 per cent of that loan. That is one provision.

The second provision, to which we should all pay very special attention, says that future changes to the rate of the liability of government are transferred from Parliament to cabinet. This means that in the future the liability that will be incurred by this government and will rest on the shoulders of every Canadian who pays taxes will be decided not by the people's representatives but by the cabinet. That is an abrogation of democratic responsibility. I want to take very strong exception to this. In fact I want to introduce right here the notion and the statement that the Reform Party will not support this bill on the basis of that provision alone. Unless an amendment is made to withdraw that provision and that transfer of power from the Parliament to the cabinet, we will oppose this bill, even if we would agree with everything else in the bill. We do not agree with everything else, but that is sufficient in my opinion to oppose the bill in its entirety.

Why do I take such a strong view of this? This is a democratic country. This country is based on the principles of democracy, which means that the people in this House who are elected to represent the Canadian people have been elected to look after the best interests of those people who have elected us. That means we should represent them as honestly as we possibly can, and do so fairly, justly, and equitably. That is what I was elected to do.

This kind of amendment takes away the right of parliamentarians to represent their people on the floor of this House. That is wrong. It is wrong in principle. The time has come for us to take very strong exception to this kind of amendment.

We all know that within the platform, the philosophy, and the principles of the Reform Party of Canada we stand for precisely the ability to represent our people. We want more free votes in this House. We have had some examples of free votes in this House, and the government is to be commended for those few instances. However, the government is to be severely chastised for those moments when its members did exercise their free vote and were punished for doing so. That is a fault, a blemish on this government's record in terms of its democratic principles and the application of democratic decision making.

• (1615)

We talk about a referendum. There are certain instances when every person in Canada should exercise their right directly and immediately not only at the time of exercising a ballot in favour of a particular person but also in favour of major social, ethical or moral issues on which they feel very strongly and about which the majority should decide what the issue in Canada ought to be.

One which has been well publicized is capital punishment. We go on from there as well. There is the other place, the Senate of Canada, and we believe there is also responsibility that it be democratized; that the individuals who sit in that chamber to provide and exercise sober second thought be elected and that they fairly and accurately represent the various regions of Canada so there can be fair representation not only by individuals but by the various regions of Canada as well.

Therefore within that framework of deep philosophic orientation we oppose the provision in this bill which would amend the act in such a way that the power moves from the House of Commons, the Parliament of the country, to the cabinet.

Another provision is the application of an annual fee of 1.25 per cent to the administration of a loan, the outstanding balance, paid by the lender. It is very interesting how this fee is to be administered. It is to be paid by the lender and the lender may not recover the cost of that 1.25 per cent except through an increase in interest rates.

It is interesting what the act does. The earlier limit on the interest rate was 1.75 per cent above prime. The amendment proposed says the new limit is 3 per cent above prime. It does not take a mathematical genius to add 1.75 and 1.25 and come up with 3, which now means very clearly that the bank or any lending institution may increase its interest rates 3 per cent above prime and thereby recover its full 1.25 per cent. That is what this provision is.

Another provision provides for a claims processing fee. When we ask the various department officials how much that fee will be, when will it be applied, under what conditions will it apply, will it be a standard fee across any loan, will it make any difference, they say they do not really know because they have not yet decided whether they will apply such a fee.

Why does the act have this provision in it? They might want to recover certain costs associated with claims. That is very interesting but it begs the question of what kinds of conditions must a lending institution meet in order to avoid being assessed a claims processing fee.

There is absolutely no provision in the act that would suggest the parameters, the guidelines, the details under which a claims fee would be applied. It is dangerous when we have open ended legislation of that kind when nobody knows how much, nobody knows under what conditions, nobody knows under what guidelines it will be applied.

I was absolutely astounded when I read this. When we got the briefing, it sounded very different. When I went back to the actual act I discovered that really the slant was quite different. I want to read this exactly as it is written. Section 4(1)(e.1): "The minister may prescribe the terms and conditions on which a lender may release any security, including a personal guarantee, taken for the repayment of a business improvement loan".

• (1620)

We were told in no uncertain terms that this dealt with guarantees, the actual phrase being personal guarantees. I can see where a small businessman getting started who becomes a little bit desperate will actually provide a personal guarantee. He will say: "Here is my house and my personal effects. I will stand good on a personal basis for this part of the loan". When half the loan is paid the lender says he will now take the personal guarantee away.

That is only one small part. It includes the release of any securities, which includes anything else. It could be a facility, a building, equipment, land, a variety of things. If there is a loan outstanding of $250,000 and half of it is repaid, that is a $125,000 liability. If at that point the lender can now release security, where is the security left for the balance of that loan? I can see the understanding that it goes to the personal guarantee because the building is probably worth the $125,000, but if the lender cannot take that off too and the act allows him to do that then I ask myself what kind of protection there is for the Government of Canada on the hook for the guarantee of 85 per cent of that loan.

So much for a review of the particular provisions. There are some issues we should be aware of. I referred earlier to the Haines–Riding study from Carleton University in Ottawa. It makes some very interesting observations. I think we should go back into history a little. The Small Business Loans Act up until this point had a ceiling of sales of $2 million; in other words, a

business that had sales of more than $2 million would not qualify for the SBLA loan. Under this act now that level is $5 million.

The Haines–Riding study shows very clearly that businesses with sales of $2 million or less have a much lower failure rate when it comes to the repayment of loans than those with sales between $2 million and $5 million. The differential between those loans is a failure rate increase of 14.7 per cent. That is pretty significant.

We need to combine that with the increase in the amount of loans outstanding as well. In the past the maximum SBLA loan one could have was $150,000. That has now increased to $250,000, which means, although we cannot say for sure, if the size of the business and maximum loan has increased we can conclude the loss rate will increase proportionately. Therefore if it costs $100 million now on an annual basis to run this program what will it be under the new provisions? I think the answer is very obvious. It will be higher than it is today.

That brings us into a very serious conundrum. On one hand we have an act that is supposed to build and encourage businesses. It will do that in a variety of cases. It should then generate more tax revenue and things of this nature which would then increase the economy of Canada and everything would roll along more smoothly than it did before.

The maximum of the SBLA loan ceiling has now moved from $4 billion to $12 billion, a threefold increase. If it now, under the $4 billion ceiling, runs at $100 billion, what will it do under the $12 billion? If the proportion remains constant it will also be a threefold increase. We cannot afford that.

The national debt is somewhere around $560 billion, growing at about $1,000 per second. About $45 billion to $60 billion is paid out in interest, much of which is foreign currency denominated. With the Canadian dollar being where it is today, can anyone imagine what this is doing to our social programs? That is why we are in trouble with the health care system. That is why we are in trouble with transfer payments. That is why we are in trouble with welfare payments. That is what makes this kind of bill questionable.

• (1625)

Yet people say they were told at the beginning that 80 per cent to 85 per cent of the new jobs are created by small business. Right. Should we not encourage small business? Right. Should not our government programs to the greatest degree possible be self–financing? Right. This bill is supposed to do all those things.

If it does that, then we can support that. However, we still want to go back to the earlier point I made about this democracy. That is absolutely at the heart of this issue and we cannot, we dare not allow that to get in the way of implementing this bill.

I want to address one final point, competition. I want to read a very extensive point made very effectively by our study on small business. We were told by Mr. Doug Robbins of Robbinex that financial institutions are increasingly using the Small Business Loans Act—get a load of this—to finance assets, for example cars and trucks, that are able to obtain financing without a government guarantee.

Data provided by the Scotiabank on its small business lending portfolio show that SBLA lending is more heavily concentrated in areas of transportation by as much as 25 per cent than the bank's total small business lending portfolio in which transportation and communication lending represents only 6 per cent. The representatives of Newport Credit and the Canadian Financing and Leasing Association, specializing in asset based financing, told the committee they are having difficulty competing with lenders who benefit from government guarantees.

Since when has the government become that great and wonderful arbiter to determine winners and losers in the marketplace? The government has no business getting into this area. If a business cannot succeed in the marketplace it should not be there. That is the part that bothers me more than anything else in a bill of this kind, this orientation. We need to recognize this is not a simple, easy answer to our economic problems.

The committee received conflicting views on the future of the Small Business Loans Act as well. It was suggested the act be expanded by extending it to working capital. Neither the Small Business Loans Act nor this bill does that. It was also suggested that it be restricted by focusing on rapidly growing business that enhances the country's knowledge base and generates skilled employment, which we already talked about.

With increase lending comes increased taxpayer exposure. We have already dealt with that. This amendment, although it goes part of the way, does not go all the way. It should go further.

The committee suggested we reduce the percentage of government guarantee, which has been done, reduce the percentage of assets that can be financed, and reduce the maximum loan amounts, which the bill does not do. In fact it goes in the opposite direction. It doubles the exposure that would have been happening under the act as it is now.

The bill has numerous shortcomings like releasing securities, any kind of securities as well as personal guarantees. We need to be very clear and an amendment is needed in this area.

This bill also increases the liability of government even though the minister stood up in the House and said the bill, because it is a self–financing or a cost liquidating kind of a program, does not increase the liability of government. I dare suggest the experience will show that it does increase the liability of government. If it does not increase the liability of

government then I ask the minister whether there is any need for a program of this kind.

Let me emphasize once again that the most serious flaw in the bill is that it disenfranchises parliamentarians. It moves the authority to make decisions and obligations on behalf of the people of Canada from the House to the cabinet. That is wrong. Democracy must never be denied.

I reiterate that unless that provision is removed from the bill we will oppose it.

• (1630)

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C–99, an act to amend the Small Business Loans Act and to share with the House the concerns and hopes of small business owners and managers throughout Guelph—Wellington.

At this important time in Canadian history I remind all Canadians that it is the hope of small business people in Guelph—Wellington, their families and their employees that Canada remains united. They recognize the imperfections of our confederation, but they realize, as we have in the past, that we can continue to evolve to make our country always stronger. They are confident that a united Canada, one that includes Quebec as an active member of our nation, will continue to be regarded worldwide as the best country in the world in which to live.

Bill C–99 is part of our ongoing effort to reduce the deficit, fulfil the promises we made to Canadians two years ago and provide the support that is necessary to enable small business to grow and to create jobs. I congratulate the Minister of Industry and the Minister of Finance who have directed and focused our efforts to strengthen small business in Canada. The Minister of Industry visited my community last year. He was welcomed by small business people who encouraged him to continue his initiative of providing support and assistance to them, so that they can continue to build a strong community in Guelph—Wellington and elsewhere.

Small business people in Guelph—Wellington, when talking to me, remind me that they have hope in our future. They talk to me as women and men who have taken risks in order to build a life for themselves and their families. They are creating jobs in my community and in every riding across Canada. They look to us, the federal government, to assist them in that important responsibility.

The Small Business Loan Act is part of our efforts. Since 1961 more than 420,000 loans, totalling over $15.5 billion, have been made to small businesses. These loans have helped small business gain access to capital for start–up, expansion and growth. The program's success lies in its ability to serve as an economic development tool and as an example of public sector and private sector co–operation.

Guelph—Wellington recently hosted, through the efforts of small business leaders like Catherine Billings, Anne Redfearn–Grobbo, Richard Zinck and Valerie Poulton, Community Spirit '95, a small business expo, which brought together business people to exchange ideas, share expertise and celebrate the successes of small businesses in Wellington county. The message that I received at Community Spirit '95 and wherever I meet small business leaders is: We need government to get out of the way where it causes us unnecessary burden; to listen to us when we have ideas for our future and to provide the assistance necessary for us to weather uncertainty and to expand our resources when we want to create jobs and strengthen our achievements. The Small Business Loans Act program allows every small business in Guelph—Wellington whose revenues do not exceed $5 million annually to ask for that assistance.

Small business people in my community understand the seriousness of our financial crisis. They know that deficit spending is not the way to sustain our economic future. They are concerned about taxation and they want the government to manage its money as well and as carefully as they manage their own money. They recognize the need to reduce expenditures and to refocus spending.

The Minister responsible for Public Service Renewal visited Guelph this fall where he spoke to representatives of small business about the program review that will redesign government. They welcomed the change because they support our efforts to spend what we have and not to mortgage our future.

Recently, the Small Business Loans Act program has suffered tremendous losses for the government. Assuming continuation of the historic losses that have occurred over the past few years, the annual program cost would increase by over $100 million. Clearly this is a threat to the future of the program. The potential cost of the program given these circumstances, and the government's need for deficit control required that the program be brought to full cost recovery.

• (1635)

The federal government included an examination of the Small Business Loans Act in its program review process. During the months of October and November 1994 the review included extensive consultations with major stakeholders, representing lenders and those who borrow. As part of our efforts to encourage more participation by members of Parliament, the recommendations of the industry committee and the small business

working committee were also taken into account. All stakeholders supported the move to full cost recovery.

Small business people in Guelph—Wellington know that in order to survive as a nation we will have to choose. They have told me that we can no longer afford the luxuries and excesses of the past. As they have had to do in their businesses, they have asked me to work for them to make decisions on what is important to us and for our future and to concentrate on what will make us strong again.

They do that in their businesses each and every day and they welcome a federal government that from the day of its election in October 1993 does the very same in order to secure a strong future for this country.

As part of our efforts we have introduced a new 1–1/4 per cent annual administration fee on each lender's average outstanding balance of the Small Business Loans Act made after March 31, 1995. We have also announced that the maximum interest rate that a lender can charge under the program has been increased by 1–1/4 per cent.

Bill C–99 also includes changes which will complete the move to full cost recovery and improve the administration of the program. These changes will mean that the Small Business Loans Act will be better targeted toward small business which really needs its help. These changes go hand in hand with our efforts to improve access to loans to small business by our financial institutions. While we aim at cost recovery, our commitment to strengthening the future of small business in Canada is unchanged.

Small business recognizes the need for co–operation. Each and every day in Guelph—Wellington small business leaders rely on distribution, transportation and communication in order to survive. They have called on me to bring a message to Ottawa. Let us work together: government, industry and labour to get the job done.

In Guelph—Wellington we know the importance of listening and working together to build a stronger community. This summer, Wendi Bacon of the Royal Bank Business Centre brought me together again with the leaders of financial institutions throughout my riding. We discussed the concerns of small business people, their frustrations in obtaining capital and their suggestions for strengthening their relationship with the banks.

Everyone recognized that there is more to be done. But it was also an opportunity to review what has happened in the past two years and to remind ourselves that we have met with some success.

Also this summer I had the opportunity to meet with small business people, leaders like Phil Greenway of Danby Products and Dwayne Mott of Orbex Computer Systems who reminded me that they want deficit reduction and they demand that the government plan carefully, consult extensively and act responsibly.

Community leaders like Michael Henry, general manager of the Guelph Chamber of Commerce, Ralph Macdonald of the Rockwood and Eramosa Township Business Association and Mike Lazarakos of the Guelph Small Business Association, bring together business and government in order to work out solutions and most important, to listen to one another in order that we improve and enhance small businesses in Guelph—Wellington.

Small business leaders throughout Canada have told the government that the primary lending issue for them is access, not the cost of financing. We believe that by making the Small Business Loans Act self–sustaining, these changes will ensure that access will continue.

• (1640)

In the past two years I have participated in the ground breaking of a new Purolator facility, welcomed the Minister of Industry as he visited Skyjack and Linamar, walked with the minister of agriculture as he toured Semex, visited countless businesses and congratulated our business leaders on their successes. Guelph—Wellington supports its businesses and it celebrates their successes.

As a former small business manager I share the frustrations of individuals, couples and partners who have a dream and who work hard to establish that dream in a business of their own. I also share the fulfilment and know how enriching owning, operating and working in a small business can be.

I am excited to tell small business owners, managers and employees that the federal government recognizes that it must create a better environment for jobs and growth in the small business sector.

We have eased restrictions on internal trade, proving to the world and to ourselves that federalism works. Removing these barriers is good news to many of the businesses that sell products and provide services to other parts of Canada. This is welcome news to Sleeman's Brewery, which knows that various provincial liquor boards practise selective listing policies. Mackinnon Transport should welcome this initiative. It is aware that transportation regulations differ from province to province. D&J Construction in my riding saw new opportunities because construction procedures are different from one province to another. Trodat Canada, Clear Choice Manufacturing and Autosparks are companies that have told me that our patchwork of regulation standards and various provincial laws are unacceptable to them and to their employees.

We have also opened doors through exports. Canada is a major exporting nation. By forging partnerships with the provinces and working as Team Canada we have built a new approach to selling Canada to the world.

Nipponia Export Limited of Puslinch is one example of this success. During a recent trip to Brazil it sold 200 cattle in a deal worth almost half a million dollars. The University of Guelph re–signed an agreement with a university in Chile. Valcom

Limited recently negotiated joint ventures and recruited distributors at Telecom 95.

The message from the business community of Guelph—Wellington is loud and clear: we can compete, we can produce and we can succeed.

Bill C–99 is not the sole solution to the concerns raised to me by my constituents. It is a part of our strategy to further our commitment to our future. It is legislation which fulfils promises, makes government more accountable through cost recovery and strengthens the relationship that exists between government and business.

We have more to do. Together we must address the problems of the GST and we must eliminate the underground economy. I am proud to be working with union representatives in Wellington county to give suggestions to the Minister of Finance and the Minister of National Revenue to address an underground economy which costs us revenue and costs us jobs. The underground economy does no Canadian any good. With it we prolong the deficit and we prohibit Canadian men and women from their responsibility of providing for themselves and their families. At the same time the people of Guelph—Wellington look forward to the government fulfilling its promise to replace the GST. We will do that.

We know that it will require all 10 provinces and the federal government to work out a solution to the GST which will make it fairer and simpler and ease the administrative burden on business. Again, my constituents have provided me with suggestions which I have been pleased to forward to the Minister of Finance.

The government remains strongly committed to small business as the main engine of economic growth in Canada. We have been told repeatedly and we are listening. The best that we can do for business, large and small, is to get the deficit under control. The changes that are included in this legislation are a step in the right direction. The user–pay system which is being adopted will mean that it is no longer a contributor to the government's deficit.

• (1645)

The changes ensure that the Small Business Loans Act will continue to be an important public policy tool to foster the growth of small businesses in Canada.

In Guelph—Wellington we like to celebrate our success. We believe we have a workforce that is second to none because we live in the best community in Canada. We know we can accomplish much when we all work together, stay positive, and keep focused. The enthusiasm evident throughout Guelph—Wellington is there because we want to succeed.

Two years ago the people of Guelph—Wellington helped to elect a Liberal government with a mandate for change. I say to my Quebec colleagues that the best anniversary present we can imagine is a united Canada committed to change, change that will result in jobs and growth for Guelph—Wellington and in all 295 ridings in this great country. As part of that mandate, Bill C–99 deserves our support.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I appreciate having the opportunity today to talk about the Small Business Loans Act. Obviously as a government and as a party we believe the small business sector plays an important part in the economy.

The last time statistics were compiled, in 1993, showed that 911,700 businesses in this country had fewer than 100 employees, which is actually 99 per cent of the businesses that operate in Canada. So we can see the importance of the small business sector. In fact that number represents a 30 per cent increase in the number of small businesses over the previous 11 years. Not only is small business an important part of our economy, but it is an increasingly important part of our economy.

These small businesses with fewer than 100 employees—some are micro–businesses, with between one and three employees—account for 44 per cent of the jobs. More important, small business accounts for the vast majority of the new jobs being created in this country today. As a government, we recognize that.

We as a government understand that we need to assist the small business sector, that we need to create a climate, an environment within which the small business sector can operate successfully, so it is able to be profitable. By being profitable they are able to create employment, which is the bottom line. We want to ensure employment is created. The government has done that in a number of ways. It has done it in terms of the fiscal policy. It has done it because we have addressed Canada's fiscal deficit and we have worked as a government to bring some economic order to this House.

By the end of this fiscal year we will have come close to reducing the annual deficit by half. In the last budget the Minister of Finance had a plan that would see our expenditures reduced by 19 per cent. The public service is being reduced by 14 per cent. We are bringing economic revitalization to this country and we are bringing some sanity to our economic house, but we are doing it in a way that recognizes that behind every expenditure line on the government's expenses there are real people, real Canadians. We are determined to do this economic exercise in a fair and equitable way for every Canadian.

The second area we have worked in to create a favourable climate for the small business men and women is on the regulatory regime under which they have to operate. There is no

question that if we overburden the small business men and women with regulation after regulation they spend more time doing that than they do taking care of their business, creating wealth and jobs.

Already this government has eliminated 250 regulations that have served their purpose and are no longer applicable, and we have amended another 300 plus. We are very cognizant of the need to refine our regulatory regime and we are working every day to make sure we are protecting the interests of Canadians where those interests need to be protected by regulation while at the same time making sure we do not do it in a manner that overburdens the small business sector.

• (1650)

We come to the third component of the strategy for small business, which is the issue of access to capital. The Small Business Loans Act and the bill we have in front of us, Bill C–99, deal very much with the whole issue of access to capital.

Along with colleagues in the House, I sit on the industry committee. That committee has worked for close to two years on the issue of access to capital. We have worked with the private sector, with the Canadian chartered banks and with others to try to ensure that they take measures to increase capital to the small business sector. To some extent, we have met with some small successes.

The banks listened to much of what we said and agreed that there needed to be a code of conduct that clearly outlined the relationship between the small business sector and the financial institutions. That code is now in place in all of the banks. It defines things like if a person is turned down for a loan he or she has to be told why. A reason has to be given. Alternatives have to be given. It talks about when a loan is called and the amount of time that has to be given in order to do that. It is helping to take some of the surprises away. I was glad to see that was the recommendation of the industry committee and that the chartered banks followed that.

A second thing the banks have done is put in place an alternative dispute resolution system, the ADR. Basically it is a mediation process. It gives small business men and women who have a relationship with a bank and who are not happy with what is happening with that relationship the ability to appeal what is going on to an independent panel. This is a positive step. It was long overdue. I was pleased to see that it was with the initiation again of this House through the industry committee that the banks are in fact doing that.

We still have many challenges. One of the things that we know as parliamentarians is that in order to evaluate whether or not there is sufficient lending to the small business sector, whether there is indeed proper access to capital, we need to know exactly what is being lent and how much that is either increasing or decreasing. One of the things we have worked on in the last four to six months with the chartered banks is that they will provide statistics on how much they are lending. And that is not just a gross amount of how much they are lending, but broken down by region, by industry, and by a number of other factors, so that we as parliamentarians and representatives of the Canadian public, and in this particular case the small business community, can tell whether or not small business is experiencing a credit crunch.

One of the greatest difficulties we had in examining this issue in the last two years is we did not really have access to good statistics. We had a lot of anecdotal evidence, and when we called the banks they often said that was the exception rather than the rule. By insisting that we get these statistics, by insisting that this information be provided to us, we will have an opportunity to see not the exception to the rule but what the rule is and whether there is more capital out there available to the small business sector.

Complementing the private sector and their lending to small business, the government also has a role to play. Bill C–99 is one of several components of the government's interaction with the small business community in terms of access to capital. We have the Business Development Bank, formerly the Federal Business Development Bank of Canada, which lends to small business, we have the business development corporation that used to be part of the human resources development department and now is part of the industry department, that lends to small business in rural areas, and we have something that is a very important project, the Small Business Loans Act.

I am probably one of the few if perhaps not the only member of this House who has actually used that program as a lender—not as a borrower but as a lender. I can say unequivocally that in the 20 years I operated in a private financial institution, this program helped provide capital to the small business men and women. Indeed, there were incremental loans that happened as a result of the existence of this program. It was not simply a duplication. It was not simply providing loans that would have otherwise been made. It actually allowed for loans to be made under this guarantee program that otherwise would not have been able to take place.

• (1655)

It is an important program. It can really help people in very meaningful ways. For instance, if you are a long distance trucker and you want to buy your rig—they sometimes cost well over $100,000—this program will help finance that. It will finance that type of equipment up to $250,000. It will allow somebody to get into business who might not otherwise have been able to.

If you are a retailer, one of the things you have to do when opening a retail shop is the leasehold improvements in the business. This program allows for financing of leasehold improvements. That is a tough thing to get financed in the private sector. Through the Small Business Loans Act, a lot of people who otherwise might not have been able to get the credit to do that, who otherwise might not have been able to open their shops, are able to. It is because of this program and the good this program is doing.

If you are a manufacturer, ofen you have to go out and buy the equipment. It might be a stamp machine, a conveyer belt, some sort of equipment. Again, this program can help that business do it.

This is not, as one of the members of the Bloc mentioned before, a duplication of an existing program in Quebec, the Paillé program. That program provides credit up to $50,000. This program provides it up to $250,000. That program is for start–ups. The small business loan is for start–ups as well, but it also allows us to finance existing business expansion. That is an important source of new wealth creation, an important source of new job creation. Not only are we helping start–ups, but we are also helping existing businesses find capital for their expansions.

In addition, the Small Business Loans Act has a longer amortization than the Quebec program. It has a relatively short amortization of three years, whereas under the Small Business Loans Act you can amortize up to 10 years. For the small business person who is starting off with a new business or with an expansion, it is important to have that longer amortization so that the payments, at least in the beginning, can be relatively low and the cashflow can be reserved for expansion and to keep the company going in what usually are the most difficult years, either at the start–up or after an expansion.

I want to talk a little about the cost of this program. I believe government has a role in creating an environment for small business. I believe government has a role in certain circumstances to assist directly, such as in the Small Business Loans Act. I also think it is important that we do this in a way that is revenue neutral, that recovers costs and is not going to place a large burden on the Canadian taxpayer.

We have seen this work. The Federal Business Development Bank, now the Business Development Bank of Canada, has for many years worked on a mandate of cost recovery. It has to structure its programs, its guarantees, its collateral, its fees, and its interest rates so that it recovers cost. It works, and it is proven that it works.

This SBLA program now is moving along the same basis. It is going to be a cost recovery program. There is always going to be a certain amount of loss that is going to be created with any loan program. If you lend money, you are going to have a certain amount of loss. The objective as a prudent lender is to make sure there is a provision for that loss and there is the revenue to carry that.

I know that one of the members opposite talked about the great liability that was going to be incurred by the government through this program. In a five–year time frame this program is going from $4 billion to $12 billion. That is $8 billion more capital for the small business men and women of this country. That is important to remember. It is happening over five years.

• (1700)

The potential liability is 10 per cent of $12 billion. To suggest that is the true liability of the government, that that is what is at risk, is like going to a chartered bank and saying that the risk is the total loan portfolio. Of course we do not say that. We do not suggest to any lender that the risk is the whole loan portfolio.

What lenders do, what we are doing as a government and what the Department of Industry and the Minister of Industry are doing is figuring out through prudent assumptions that the loan loss history is likely to be based on historical data and on economic performance. It is the same thing the banks do. They make a loan loss provision and as a government we ensure that the revenue stream is sufficiently large enough to cover potential losses.

In reality it is not a burden on taxpayers. It is a cost recovery program that ensures capital is provided to the small business sector.

I will comment on a couple of things that were said about how we will go about recovering the costs. The program has always had a 2 per cent fee that is paid up front. It can either be paid in cash or it can be amortized over the length of the loan.

In doing that examination and trying to ensure that it is a cost recovery program, it was determined that additional revenues would be required. Therefore a new fee was put on, an administration fee of 1.5 per cent.

One of the members of the Reform Party was complaining that the administration fee was being passed through not as a direct fee but rather through the interest rate. A small business person will prefer that it happens that way because the fee will be paid on a declining balance, as opposed to the full amount at the time it was borrowed. In reality the fee will be less, because it is on a declining balance calculated through the interest rate, than if the 1.5 per cent was paid up front.

The minister acted prudently and in a way where business people can have some control over their fee based on the speed at which they pay back the advance. That was a good way of doing it. The minister structured it so that the banks pay the administration fee. Then they have the option to collect it from their clients. I hope the chartered banks, as part of their

commitment to helping the small business sector, would absorb a part or all of that fee.

When the plan was originally amended back in 1993 the maximum rate was 1.75 per cent, but the banks charged prime for the most part. They were anxious for the business. They went out there and they got it. Even though there was a maximum rate they did not charge it. They charged prime.

Now that we have added another 1.25 per cent or 1.5 per cent to allow for the fee and put the maximum rate up to 3 per cent, I do not understand why all of a sudden it was not good enough to charge prime or prime plus a half or prime plus one. They seem to be jacking up the rates to the maximum. I do not think that is what they should be doing. They have to take care of their profits. They have to take care of their shareholders. However I believe they have a responsibility to the small business community, and one way they can show that is by absorbing a portion of the fee.

The way they have structured the fee is appropriate. It allows for small business people to save some money through their declining balance.

In summary, it is a good piece of legislation. It is an act that has been in place for many years. It has helped a lot of small businessmen and women. There are many businesses today. All we have to do is walk down Main Street in my hometown of Gravenhurst or any other community in my riding, and I dare say in any community in any member's riding, to see businesses operating today that would not be operating if this loan program did not exist. It does its job. It creates and helps small businesses. It creates and helps employment.

Not only does it do that. With these amendments it will do it in a way that will not cost the taxpayers of Canada anything because it will be a cost recovery program. I applaud the Minister of Industry for the bill. I applaud the Minister of Industry for the changes. I know they will be good for Canada.

• (1705)

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, we all know that small businesses exist throughout Canada, both in rural and urban centres.

In Atlantic Canada, small business is the backbone of the economy. It sustains the economy. The majority of small businesses, whether they are in Nova Scotia, New Brunswick or Quebec, are owned by local people employing young people and older people. The businesses have been there a long time, are part of the community and are sustainable.

My question is for the hon. member from Parry Sound—Muskoka. From his experience in the lending side of financial institutions and his experience with the Small Business Loans Act, could he elaborate on the value of small business to the Canadian economy to ensure the money stays in Canada for Canadians and provides a sustainable economy that supports our future?

Mr. Mitchell: Mr. Speaker, I will try to be as brief as I can.

The hon. member makes the excellent point that small businesses tend to create employment locally, tend to purchase locally and tend to form part of the local economy. The profits earned from those businesses are retained within the community as opposed to going elsewhere.

As someone who was involved in economic development initiatives in a rural area, organizations would look for the big hit. They would look for the big 500 to 600 person plant to come in and create employment. Those days are long gone. That is just not in the cards any more, or if it is it is a rare occasion.

We have to build the local economy one small business at a time, one job at a time, and this act provides an important tool to allow that to happen in rural communities.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, last summer I had the opportunity of driving around with the member for Parry Sound—Muskoka. We were on a little mission called the access to capital for small business task force.

Over the past two years I have been here, I have seen that the federal government only has the capability to create the atmosphere for the creation and the enhancement of small business. We do not have the money any more to throw at jobs because of deficit reduction, et cetera. One thing we have done is establish the small business centre in Toronto to cut through the red tape.

Bill C–99 is only one part of the overview. The Federal Business Development Bank and business development corporations play very important and crucial roles in the formation and enhancement of small business.

Could the member give us any information on what is being done with them to improve that part of the overview?

Mr. Mitchell: Mr. Speaker, I will address a couple of examples the member mentioned. One is northern Ontario where we have a regional development fund called FEDNOR that is able to provide funding for small businesses.

One way to be creative is to combine the money from FEDNOR with the money available from the Business Development Bank of Canada. If FEDNOR is able to provide funding to cover contingencies, for example losses of 5 per cent, the Business Development Bank of Canada can lend with a higher risk profile. We are looking at taking approximately $500,000 from FEDNOR and levering that through the Business Develop-

ment Bank, or through a private financial institution, up to $20 million.

Government has the ability to use some creative tools in the way it finances and uses some of our programs. It is the same with the Small Business Loans Act that we are talking about in Bill C–99. It can work in conjunction with other credit facilities provided by private lenders. The term credit can be covered by the Small Business Loans Act and the bank or the private institution can come along and be happy to provide an operating credit. In a lot of cases we work in conjunction with various programs.

• (1710)

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I take this opportunity to congratulate the hon. member for Parry Sound—Muskoka for his efforts on the bill. As part of the industry committee and as part of various task forces, he has travelled widely in Canada to receive information from small businesses.

Actual consultation with small businesses is an area that has been overlooked in the past. They do not have a large staff or a lot of money to spend carelessly. Every penny they spend in their budgets is very important to them.

My question for the member concerns communication and information to small businesses once the bill is passed. It is very important that the consulting process and improvements continue to go forward. Getting the information out to the many small businesses around the country is very important. The member might want to comment on that.

Mr. Mitchell: Mr. Speaker, I thank the hon. member for the question because it makes an excellent point. Not only is it important to have the programming, it is also important that the small business sector knows the programming exists and how to use it.

One initiative of the government and the Minister of Industry is the single window approach to providing information so that instead of having to go to maybe five or six different offices to gather all the information, small business people can go to one location to talk to an individual and learn the various programming aspects they need to know to help their small businesses. There are many vehicles for doing that. It can be done through chambers of commerce. Most communities have a chamber of commerce. It can also be done through economic development offices.

The idea of a single window approach to provide information to the small businessmen and women is one that we recognize as a government to be important and are working on to ensure it takes place.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it has been a pleasure for me to participate in the work of the Standing Committee on Industry. With a businesslike attitude committee members have gone about their work for the benefit of all Canadian small businesses and of assisting them in competing in the world economy of today.

I was particularly appreciative of the comments of the Parliamentary Secretary to the Minister of Industry regarding his concern for the amount of red tape, the paperwork and the difficulties with taxes faced by small businesses. It is with this kind of attitude we approach many of the difficulties our business people are facing with a view to assisting them to make our Canadian economy as competitive, as viable and as profitable as any in the world.

Small business is the cornerstone of the Canadian economy today. Using a definition of small business being a concern with less than 100 employees, there are about a million small businesses registered in the country. This means that small business makes up nearly 99 per cent of all business enterprises in Canada. Small business accounts for about 60 per cent of the economy's private sector output. These are substantial figures.

As well, small business entrepreneurs presently create eight out of ten new jobs. In a day when we depend on new ideas being translated into new jobs, and new products and new services being translated into a larger market share of our highly competitive business world, we do not need to argue the value of small business to the Canadian economy. Rather we need to learn how to encourage entrepreneurs to develop new ideas and new products.

• (1715)

As a nation Canada has historically been highly creative. We have learned how necessary it is to adapt to both the economic and physical environments. However, we have been less successful in taking our ideas and inventions from the laboratories and basements of entrepreneurs and getting them into the national and international marketplace.

It was extremely educational for me before I was even on the committee to attend some of the hearings and listen to the difficulties small business people were having in securing loans, securing the capital they needed to get their ideas and concerns off the ground. In some instances there were business people with many orders in their order books, ready to sell but with no money to work to produce the product. One very significant reason for this lack of success has been the shortage of loan capital, of equity capital, available to someone to take a well developed idea or an advanced product prototype and make it a commercially viable asset of the Canadian economy.

So often we have heard stories of how someone had this great invention but after years of struggle to get it marketed they

finally gave up and went to the United States where there was capital, resources and an invitation waiting, all that was necessary to make it a marketable product. These are sad stories, sad because they tell of a loss to our country not only of the product, but more important, the loss of the people who took what they had and left.

The Small Business Loans Act was an initiative by the federal government in 1961 to help remedy this situation. By and large this has been a successful intervention by the government. The Small Business Loans Act has provided a 90 per cent government guarantee to banks, credit unions and other lenders that make loans to small business people. Loans that are properly made and placed under the umbrella of this act will not be a write off to the lender if they are not repaid.

The Small Business Loans Act guarantees loans made to small business interests that qualify. There is an interest by government for which I want to offer some congratulations in supporting this sector of our economy. Today about $6 billion in loans to small businesses is guaranteed in this manner. Under these proposed amendments to the act, the amount of money available with this government guarantee would substantially increase.

However, in the real world where not everything works out or goes quite as planned there are some aspects of the Small Business Loans Act that do need updating from past experience. There need to be corrections; there need to be some changes.

The amendments brought forward in Bill C–99 are being proposed by the government. One of the problems the government faces is there is about a 5 per cent failure rate in these guaranteed loans. Estimates are that without some means of recovering these losses, this loan guarantee program could cost the government in the order of $100 million each year which would be an unacceptably high cost. To its credit, the government is proposing amendments to the act to rectify this problem.

One amendment would reduce the size of the loan guarantee from 90 per cent to 85 per cent. In this move the government quite properly is telling the money lenders that they have to bear some of the risk in lending to small business enterprises. This should not make a significant difference in the willingness of lenders to make loans under the Small Business Loans Act for in many instances, lenders have already said that they are including fully secured loans under this act when it is hard to explain why this need is there.

A second amendment which I support is the establishment of a 1.25 per cent annual administration fee that can be passed on to the borrower in the interest rates that are applied. It has already been said that this would increase the premium on the interest rate to about 3 per cent, which is significant. After listening to people looking for capital, it seemed to me that more often it was not the interest rate which was so important to them but the fundamental access to capital which they needed.

• (1720)

It is my opinion that it is completely in order for the borrower to bear some of the cost of this guaranteed loan program. The borrower is perhaps the one who will benefit most from it. When the lenders are competing with one another for loans, the interest rate is always a negotiable matter. Therefore, when competition is keen and the lender really wants to get the money out into the marketplace, the borrower may get the benefit of a loan interest rate which is significantly lower. I do not have the same difficulty with this amendment as do some other members of the House.

A third amendment which Bill C–99 would make to the Small Business Loans Act would allow a borrower who has repaid one–half or more of the loan to be released from the personal guarantee held by the lender. This would not leave the loan unsecured by any means. The collateral and physical assets held by the lender would remain in place until the loan was repaid.

Often a loan is made to a partnership and over time the partnership may dissolve. In an instance such as this, where a former partner is no longer part of the business, there may not be a strong desire to stay and there also may be a serious financial need to free the guarantor of the burden which he has taken on. These amendments would conditionally allow that to happen. They would also allow a borrower in some way to separate his or her corporate and personal interests.

My interest here is not to add more burden or more risk to the government. Far be it from that. However, with the withdrawal of the personal guarantee, the borrower is free, which allows more opportunity for the expansion of business and of commercial activity.

There is an amendment regarding a claims processing fee which is troublesome for me in that it is poorly defined. How would it be implemented? When would it come into place? These amendments need careful attention and further revision before they can be supported.

Bill C–99 has one essential flaw. The bill gives the Minister of Industry the power to make future regulation changes without the consent of Parliament. The Minister of Industry will argue that this transfer of power allows the department to act more expediently in response to the rapid rate changes of the financial markets.

Parliament could transfer every policy change away from the elected members to senior bureaucrats and ultimately to cabinet ministers. Then we would not be called a democracy, would we? This trend by the Liberal government is a very serious challenge to the authority of Parliament.

This portion of Bill C–99 must be amended to respect the rights of Canadians to have future regulatory changes soberly examined by their elected officials and not left in the hands of the executive or the bureaucrats. Without the amendment of this portion of the bill the Reform Party cannot give its support to this otherwise sound piece of legislation.

There are over 4.2 million Canadians employed by small and medium size businesses in Canada. The Canadian Federation of Independent Business recently surveyed its membership on job creation. Catherine Swift, vice–president of the organization, recently claimed that small firms and new businesses are the ones which have created all the new jobs over the past couple of years. This is an accurate claim. In the 1980s, 85 per cent of new jobs were created by small and medium sized businesses. This trend is continuing to grow as more and more Canadians explore the possibility of starting their own businesses.

• (1725)

The Liberals must make good on an election promise they made in their red book. They promised "to focus on small and medium sized businesses because they can and must be the determining factor in turning around what has so far been a jobless recovery". By creating a more efficient financing model for small businesses, the government is becoming more responsible for the development of small and medium sized businesses in Canada. The long term financing of these businesses becomes even more assured with these cost recovery amendments.

The minister needs to amend Bill C–99 to give Parliament the right to make future regulation changes. Parliament must not give this power away. This is necessary because losing the right to make future changes could in the long run harm not only the democratic process but even the small business loans program itself.

Members of Parliament are elected to examine programs such as this one in the interests of their constituents. To lose that ability would be inexcusable. I encourage the Minister of Industry to cease seeking such executive control. With this aspect of the bill eliminated, the small businesses of Canada can get to work and access a plan that is working well and could be improved on to make its viability assured even during these highly competitive times.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to rise to speak on Bill C–99, the amendment to the Small Business Loans Act.

The summary of the bill concerns me. The bill states: "This enactment amends the Small Business Loans Act with the objective of moving the small business loans program to full cost recovery". I thought that the whole concept of the Small Business Loans Act was for the government to try to provide some underlying guarantee of picking winners and losers, because let us face it, it has been in that business for a long time, through grants, subsidies, contributions and giving away money by the millions and billions. As an aside, did you see my waste report where $11 billion in grants and contributions are given away by this government every year?

Getting back to the bill, the concept of the Small Business Loans Act was to provide a guarantee to higher risk businesses that had the potential to generate jobs and economic growth. The government was prepared to underwrite that program to try to foster development. It is not a bad idea, although we Reformers always felt that a dollar in the hands of an investor was far better than a dollar channelled through a bureaucrat and back into the economy. Nonetheless, the government is now going to channel this money through the bureaucrat back into the economy on a full cost recovery basis. The first question which comes to mind is: Why are we doing this?

Mr. Mills (Broadview—Greenwood): That is not the bill.

Mr. Williams: Bill C–99, an act to amend the Small Business Loans Act, is the one I am talking about. That is the bill that is on the agenda at the moment. My hon. colleague from the Liberal Party says that is not the bill. I am quoting right from the bill. Does he not know what we are talking about right now and what the bill says? The bill states "small business loans program to full cost recovery". Let us talk about this full cost recovery.

The government has lots of power. It is going to establish an annual administration fee to collect money from the lenders, put it in a pocket and it is going to restrict the lenders from passing on the fee to the borrowers, except through interest rates. The government is going to say to lenders: "We are going to charge you an administration fee of maybe 1 per cent or 2 per cent of the amount of money that you are lending out. You are prohibited from charging your borrower an administrative fee but you may include it as a mark–up on your interest rate". Remember full cost recovery.

• (1730)

The lenders will have to pay to the government 1 per cent or 2 per cent of the total money they lend out. The government will take this pool of cash and reimburse the lenders who make bad choices because they are the ones who are going to collect the guarantee from the government.

I scratch my head trying to figure out the logic because I cannot find any in this particular bill. It says that the government, by skimming money off the prudent, intelligent lenders who made intelligent, prudent investment decisions are required to pay a premium to the government so that it can build up a pool of cash to reimburse the lenders who made poor and irrational decisions. It does not make sense. We are penalizing good and competent lenders and subsidizing incompetent lenders. The poor businessman does not get one nickel's worth of a break

because this is on a pooled cost recovery basis to the government.

I cannot understand the logic. That is why the Reform Party says that a dollar in the hands of an investor, a businessman, an entrepreneur, a consumer, is far, far better than a dollar in the hands of a bureaucrat. The amendments to this act are living proof of the justification of Reform Party policy.

I cannot understand the government which talks about creating jobs, jobs, jobs. I recall that was its slogan during the election. The Liberals were going to spend $6 billion on the infrastructure program. Let us take the money, channel it through bureaucrats, lend it out or give it away to try and create jobs. It did not work.

The President of the Treasury Board appeared before the government operations committee trying to justify the infrastructure program. After spending $6 billion, by his own admission he has created 8,000 permanent jobs. That works out to $875,000 per job. He would have been far better off putting the money in the bank, taking the interest and giving it to the people, saying: "Do not bother going to work" because they would have had a lot more money. Ten per cent on $750,000 is $75,000 a year just by writing a cheque.

This type of policy is no good. It is not going to generate economic growth. It is not going to do anything for the lender. It is not going to make the lender more willing to give money to the small businessman. It is not going to make the small businessman accept any more risk because the successful small businessman is now going to end up paying an insurance premium through the lender into the government's pocket so it can bail out the guy who does not make it. That is just another tax on the competent and the successful small businessman who is trying to create jobs, pick the country up and generate some economic growth so we have a chance of digging ourselves out of the economic morass that the Liberal government and the Tory government have put us into.

The government talks about moving from this House and into cabinet the opportunity to make regulations. This is an affront to the powers of this House. We have seen a continuous and continual erosion of the powers we have in this House being passed over to the executive, to cabinet. Pretty soon the House will be an irrelevant debating society where we talk about these bills but have absolutely no control whatsoever over them.

• (1735)

If we approve this bill as it is being proposed, we are passing all the authority to cabinet. What good is that? When will the bill come back for public debate? When will we be able to find out that this bill is not working, that it is not creating jobs, except bureaucratic jobs? When? That is why this type of bill must be opposed at every opportunity.

As Reformers we believe in having accountability and responsibility. It is about time this Liberal government introduced some cost benefit analysis to tell us what in its opinion will be the outcome of the amendments it is proposing. How many jobs is it going to create in the civil service? How much is it going to cost the taxpayer? How many jobs will be created through this in the private sector? How much tax revenue will it produce? How many new jobs will it create in the small businesses that it intends to help?

Conversely, is this actually going to shut down jobs in the private sector? That is going to happen as we find it detracts from the motivation of small businessmen to borrow money through the Small Business Loans Act. The whole concept is recognizing that there are opportunities. A chance has to be taken. A risk has to be taken.

That risk is going to be avoided because the government says it does not have the money any more. It is going to skim the money off the successful entrepreneurs, channel it through the lenders back to use as write–offs on the bad loans and bad decisions. That is a dreadful decision.

In the last decade small business has accounted for the largest share of the net new job creation in the country. It employs almost half the labour force. Small businesses create eight out of every ten new jobs in Canada. They do it because of entrepreneurial spirit, not channelling money through the bureaucracy back out in some complex formula that Liberal members want to bring into cabinet so they can change and modify it if they so desire.

Give entrepreneurs freedom from rules and regulations. Give them freedom from red tape. Let them go out there and create jobs. By giving them the motivation and incentive to do so, unemployment will come down. New jobs will be created. Additional taxes will be paid without any tax increase. The deficit will come down. Our competitiveness will improve on the international stage. We will have all these things by getting the government out of the lives of small businessmen and women and not into it more at their expense.

The Department of Public Works and Government Services has found that small companies accounted for 79 per cent of the suppliers to the federal government in 1993–94 fiscal year. At least we are glad to see that the federal government recognizes that small business provides products that compete with the best in the world and are worth buying for the Government of Canada.

However, despite the excellent contribution small businesses make to the Canadian economy, the Liberals have not come through on their electoral promise to create a better environment for small business to work in.

I heard some comments from the other side of the House. I am sure they were not too complimentary on our position but I hope my remarks will cause them to think about the spirit of the bill. I would love to talk to them afterward and find out how they can see the logic and benefits in here.

• (1740)

These are the points I would like to make on this bill. I do not think that when it gets into committee and we hear witnesses—the banks that are going to be paying the fee to the government—that they will be complimentary. Some small businesses that use the program will be sceptical about why they should pay the premiums. Therefore, I hope the government will give some serious thought to redrafting the amendments to recognize that small business wants to provide the motivation.

I agree with the idea that the government should be involved in creating an environment for small business to create jobs. That is great. But the underlying philosophy here is that the government wants to be seen doing that but with the small businessman's money. On that point, I totally and absolutely disagree.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I was somewhat astounded by the discussion of the member for St. Albert about the aspect of guarantees somehow being circulatory moneys that small business has to pay in order to support these loans.

Most of us understand the concept of bad debts. I understand the member is an accountant. We all understand that small businesses have accounts receivable and usually make provision for bad debt losses. Indeed, bad debt losses under the Small Business Loans Act have been very small. I think they average out at about 2 per cent.

The member does not seem to understand that in order for the government to protect itself from bad debt losses it needs to find a method to recover a certain amount of cash flow from successful loans. This is no different from any other normal business operation. These are the things I thought the Reform Party would applaud the government for because it is taking a business approach to lending.

The member does not seem to be able to understand the whole concept. It seems to elude him that somehow we are taking money from one pot and putting it into another at the behest of small business operators. Quite frankly, it is normal business practice and something for which the government should be applauded.

The member talked about creating jobs. This program has been around for a considerable length of time. We are now fine tuning it, allowing it to expand. The jobs the member talks about being created by the small business environment, in fact, were assisted by this program. Some of the great jobs he spoke about which have increased over the last number of years have been as a result of the small business loans program.

The member also talked about infrastructure spending and how it is a terrible waste of government money. If we look at the public assets and the whole concept of why there is public administration in the country, it is to build certain public assets that for whatever reason businesses did not want to build, such as airports, roads, sewer systems, et cetera. The member does not seem to understand that is still a commitment of government in most places in the country and it does create jobs.

I would like to ask the member whether he understands fully the concept of guarantees and of making provision for guarantees?

Mr. Williams: Mr. Speaker, I will be glad to respond to the member who I understand is also an accountant.

The point I am trying to make is that the small business community is being provided this guarantee courtesy of themselves. It will have to pay for the guarantee. The successful entrepreneur will pay higher interest rates to the bank, which will in turn pay a fee back to the federal government, which will use the pot of money collected to reimburse the lenders for the bad decisions they make or for the loans that go sour and the small businessman who does not make it. The successful businessman will pay a premium to underwrite the bad debts incurred by the lenders.

• (1745)

This will no longer be an underwriting by the federal government. It states "loans program to full cost recovery". Therefore there will be no underwriting except a great paper war by the federal government. That is the point to which I am trying to object. There is no guarantee by the federal government. It is only a guarantee to be paid by the guy who wins to pay the guy who loses.

I know that up until now the federal government has picked up the tab for the losers who have not paid back their loans, and the winners have gone on to create jobs and build this economy. Now they will to be asked to do that with another chain around their legs as they try to climb up above high taxes, high interest rates which will be even higher now because they now have to pay the federal government, the high Canadian dollar and so on. How can we expect them to compete? That is the idiocy of this bill.

Getting to the member's other point on infrastructure, of course taxes pay for infrastructure. Of course we need infrastructure. However, the promise at the last election was jobs, jobs, jobs through the infrastructure program. The President of the Treasury Board said: "Six billion dollars netted us 8,000 permanent jobs". That, by simple math, is $750,000 per job, which is far more expensive than any job costs in the private sector.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I was listening attentively to the member. I could not help but get frustrated when he kept referring to the small business men and women who failed as losers.

I would like to know how the member would propose that the banks, which administer this program, would choose who would get these small business loans in a way that there would be an absolutely perfect track record? What special insight or ability to judge entrepreneurship, what special formula does the member have that would allow him to never make a mistake on judging a small business person's ability to absolutely be—

The Deputy Speaker: The hon. member for St. Albert.

Mr. Williams: Mr. Speaker, again the hon. member really has not applied his mind to the subject matter at hand.

Bankers incur losses and bad debts every year, billions worth. Their customers have to pay that through lower interest rates on deposits and higher interest rates on loans and they are required to make a profit in the meantime.

Let us take two lenders. One is a prudent lender who can make solid investment decisions and the other is careless and reckless and invests money not nearly as wisely. The one who is prudent and careful and analyses the lending applications his or her losses will be less. He or she may still have losses but they will be less.

Mr. Mills (Broadview—Greenwood): How do you know?

Mr. Williams: Because one is prudent and more careful and analyses the applications. The losses will be less. The customers will pay the premium, passed on through the interest rates. The borrower will pay a higher rate. The money will flow into the government coffers.

• (1750)

On the other side there is the reckless lender who is not too careful about the application he approves. His losses skyrocket. It will not cost the reckless lender any more money because he is reimbursed from the fund the government has. Now we are separating the risk and the reward because the prudent lender who analyses the applications will have lower losses, hence higher profits, and the reckless lender will not suffer any consequence of his recklessness with lending because he will be reimbursed by the successful entrepreneur who borrowed at a different bank.

That is the whole point I am trying to make. We are just moving this money from the successful borrower through the lender into the government's pocket to subsidize and reimburse the lender who makes the bad decisions, who lends the money to the business that may fail. That is the point I am trying to make. It is fairly clear, it is fairly simple and I hope the hon. member realizes that.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I will try this one more time. The member talks about its being a simple concept. Indeed it is a very simple concept.

In his hometown I am sure there must be an insurance broker who in his daily operations will have a provision for doubtful accounts. It is a fact in the course of doing business. That insurance broker will say: "It is a normal operation that I will lose 2 per cent to 3 per cent of my accounts receivable every year. If I were so perfect as to have a 0 per cent, I would be a very unusual business; I would be a business that did not take any risk". Small business is about taking a certain degree of risk.

Those bad debt losses within that business are shared and borne by all the other customers by definition. Therefore there is nothing strange or unusual about the government's orientation to this and I am really quite surprised the member does not understand it.

Have I made it any clearer for the member?

Mr. Williams: Mr. Speaker, I will try to be brief and lucid. He used the example of an insurance broker. If the broker has 2 per cent or 3 per cent of his debts go bad which he has to account for, that is fine and he builds it into his margin. However, the point I am trying to make is why should he have to build into his margin an amount of money which is channelled through the government to reimburse his competitor across the street who may be reckless and have a 10 per cent bad debt situation? That makes no sense.

[*Translation*]

The Deputy Speaker: It being 5.53 p.m., the House will now proceed to the consideration of Private Members' Business.

PRIVATE MEMBERS' BUSINESS

[*English*]

NATIONAL HORSE OF CANADA ACT

Mr. Ian Murray (Lanark—Carleton, Lib.) moved that Bill C–329, an act to provide for the recognition of the Canadian Horse as the national horse of Canada, be read the second time and referred to a committee.

He said: Mr. Speaker, I am very pleased to have my private member's Bill C–329 reach the floor of the House of Commons today. Unfortunately the bill has not been chosen as a votable item, however it certainly represents a part of our history which deserves to be celebrated.

The purpose of the bill is to bring appropriate recognition to the Canadian horse, the official designation of the breed. I believe it is a symbol of Canadian heritage. I believe we should take every opportunity to celebrate those aspects of our history which make Canada unique.

There are several precedents for the kind of recognition I have proposed for the Canadian horse. Some years ago Parliament passed a bill which designated the beaver as Canada's national animal. Recently we recognized hockey and lacrosse as our national sports. That kind of celebration of our heritage is neither frivolous nor unimportant. We need more symbols to add to the rich tapestry which is Canada's history.

As we debate the bill today Canadians are watching with concern the debate taking place in Quebec which is so important to our future. When I introduced Bill C-329 I was well aware that the history of the Canadian horse began in New France, now the province of Quebec, and I believe if we embrace the goal of the bill it would make some small contribution to national unity.

Alex Hayward, a Canadian horse owner who lives near North Gower, Ontario, brought to my attention the idea of giving the Canadian horse national status through a private member's bill. Mr. Hayward grew up with the Canadian horse and insists "they can do everything but dance".

After researching this breed we did note in several documents that the Canadian horse was declared our national breed by Parliament on March 17, 1909. Unfortunately nowhere in the debates of Parliament could this be verified. Therefore I set out to bring some attention to a breed of horse which has worked our lands as far back as the 1600s.

The introduction of the Canadian horse to Canada dates back to King Louis XIV of France in 1665. The horses were delivered to the governor of New France at Stadacona, now known as Quebec City. King Louis felt a knight should not be without a horse, and the horses were presented as noble gifts in order to keep his colonists happy.

The exact breeding of this horse is unknown. It was not until 100 years later that accurate breeding records were kept by horse breeders. However, historians believe that the blood lines are from the Arabian, Barb and Andalusian stocks. In 1667 and 1670 further shipments of this horse were received and their numbers reached 12,000 strong by the year 1760.

It has been noted that the Canadian horse was the first to clear Canadian soil. This versatile breed cleared, ploughed and cultivated the soil. In addition they were used as carriage, riding and race horses. This small, swift, rugged and strong horse seldom reaches 1,100 pounds and is from 14.3 to 15.2 hands high. Therefore the average Canadian horse would be about five feet high.

As the years went on France was constantly at war and was unable to support its colony. For the next century and a half the horses in New France were bred and multiplied, with no outside blood lines changing the breed. However, when the British arrived in the late 1700s they brought with them other breeds of horse. Upon arrival of the British many French settlers moved on to Manitoba and the United States and took their Canadian horses with them.

The American civil war created great demand for cavalry mounts. The Canadian horse was the right size and was well known for its tough constitution. This made it well suited to the hardship and rigours of war. Exports from Canada increased greatly and prices were very high. Many horses were killed in the war and those that survived never returned to Canada. By the late 18th century these factors threatened the continuation of the Canadian horse and so action was taken then to preserve this fine breed.

In 1885 a stud book was started to keep accurate records of the breed and in 1895 the Canadian Horse Breeders Association was formed. The federal ministry of agriculture maintained a breeding centre from 1913 until the second world war forced its closure in 1940. The Canadian horse has supplied foundation stock to many breeds, in particular the Morgan and the standardbred. It has been estimated that by 1850 half of the horses in Canada carried some trace of Canadian blood.

In *The Canadian Horse* by Gladys Mackey Beattie the strength and endurance of the breed are well described. There are recorded instances of Canadian horses trotting from Quebec city to Montreal and from Montreal to Cornwall, stopping only when their drivers needed refreshment.

Another example was noted in the *Breeders Gazette of Chicago* written in 1914: "A wood merchant, owner of Canadian horse weighing approximately 1,050 pounds, harnessed it on the same pole beside another horse, 200 pounds heavier. The Canadian horse always kept its harness traces well stretched and never showed as much fatigue as its heavier mate. After two years of common work, the heavy horse died. Questioned on the cause of this death, the driver answered 'It is the Canadian horse that made him die of overwork'. Another heavy horse teamed with the same Canadian horse died after a year and the Canadian was still in perfect condition".

• (1800)

We should also pay tribute to that small band of Canadian horse breeders past and present, without whom this important part of our heritage would have been lost. In this respect I would like to thank Alex Hayward and his friend, the late Don Prosperine, from Dunrobin, Ontario, which is in my riding of Lanark—Carleton. Those two gentlemen decided in 1978 to become partners in a project to breed the Canadian horse. They spent a year and a half searching in Quebec for suitable specimens. From their beginning with one stallion and two mares their stock increased to 28 Canadians. Don Prosperine's son, Frank, continues the family tradition on his farm in Dunrobin where he has 18 Canadians.

In conclusion, I want to thank those of my colleagues who have shown an interest in this part of our heritage and who are taking part in the debate today. I also want to thank the people from across Canada who wrote their member of Parliament in support of Bill C–329. Finally, congratulations to the Canadian Horse Breeders Association as it celebrates its centennial this year.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I thank the hon. member for his words on the Canadian horse. From what I have read about this horse it seems like an outstanding candidate for the title of national horse of Canada.

The hon. member has talked about the history of this animal: how it came from France; its ability to stand up in Canada's cold weather and the varied seasons; its strength and its intelligence. All of those things are wonderful. It is a lot like Canadians in that sense. For that reason I cannot say anything against the bill. I do not have a problem with the Canadian horse or even with the concept of having a national horse for Canada.

However, I am wondering, when we are six days away from a referendum on the break–up of the country, why we are talking about these types of issues. It is an issue which the hon. member could handle in a member's statement or in a letter writing campaign. There are ways of handling these types of issues.

Frankly, when we are bringing Private Members' Business to the House of Commons, it should be a little more relevant to the national agenda. For crying out loud, in six days we are going to have a referendum about the break–up of the country. That is the type of thing members should be bringing to Private Members' Business to discuss. There is no reason in the world we could not have had a bill today regarding the devolution of powers and how that might affect Canada and the possibility that Quebec would remain in the country. There is absolutely no reason we could not have had that debate.

All kinds of excellent legislation has come from private members. That is the type of thing we should see in this hour.

We have a debt of some $560 billion and it is going up $90 million a day. It will be going up more now that interest rates will be spiked as a result of all the uncertainty over the Quebec referendum. To me, that is the type of thing we should reserve this time for.

Last night on television I saw that a transit worker was stabbed to death in Toronto. He was the first ever transit worker to be murdered in Toronto. This Ontario member could have brought forward legislation to deal with that type of thing.

I truly do not want to denigrate what the hon. member has done. However, I believe that Private Members' Business should be set aside for things which are more germane to the public agenda in Canada. I know that Canadians are outraged at some of the things which are going on and that nothing is being done. We cannot prod the government to do it, so let us prod private members to do it. Let us get them to bring forward the legislation.

There are 97 or 98 government MPs from Ontario in the House. The hon. member brought forward a bill to make the Canadian horse the national horse of Canada. Fine. But a lot more essential legislation could have come forward to deal with the issues I have just talked about.

• (1805)

Would it not be great if a Toronto MP, along with 19 or 20 other Toronto MPs, brought forward legislation to deal with crime. We could point to the example of what happened in Toronto the other night, where we saw that man stabbed to death on TV. It was outrageous. We have to do something about those types of things. We cannot continue like that.

In small ways almost every day we are seeing the erosion of the rule of law, not the breakdown, but the erosion in a lot of ways. Some people are becoming so disrespectful for the rule of law. Let us have legislation to deal with that sort of thing.

Another thing we could be dealing with today and it would help the hon. member and his cause, would be to see Parliament and individual parliamentarians bring forward legislation through Private Members' Business to free up MPs to vote the wishes of their constituents on certain pieces of legislation. There is no reason in the world that we could not have legislation like there is in Britain today. They can defeat their own government's bill without bringing down the government. In other words, there would be a motion of non–confidence after defeating a specific piece of legislation.

Imagine how Canadians would feel about their House if that is what happened here. It would be astounding. It would be a revolution. People would have new confidence in this place. As politicians, I think members across the way would agree that we have a vested interest in doing what we can to improve the very poor reputation of politicians. That would go a long way to doing that.

One thing we could bring forward is balanced budget legislation. The situation today is that we are going in the hole approximately $19 million a day. Every day that goes by we go into the hole a little further. To me that is absolutely immoral when we consider the effect it will have on our children.

I have two boys back home; one is seven and one is eleven. Many members have young children. It is really immoral for us to be living today at their expense. We must move quickly if we are to be worthy of our title as parliamentarians to make sure that comes to an end. We have to quit spending them into poverty down the road.

I do not want to talk for a long time. I want to say again that Private Members' Business should be set aside for very important issues, for issues that are important to the country as a whole.

I appreciate the argument that this horse is part of our heritage. I also know and the member has noted that this horse was recognized by cabinet I believe in 1909. I would argue that because of the fact that the horse already has the title Canadian horse, because of its proud history, we have certainly already given it a lot of profile. I would argue that there are other ways, through statements under Standing Order 31, through a letter campaign to other MPs, through recognition by provincial legislatures and that kind of thing that we could make the point.

I will conclude by thanking the hon. member for his initiative. I also encourage members across the way, in my own party and in the Bloc, to bring forward the best possible and most important legislation they can think of when they deem it appropriate to bring a bill forward through Private Members' Business.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the bill to provide for the recognition of the Canadian horse as the national horse of Canada affects many Quebecers and particularly breeders. It is therefore a pleasure for us to represent them by taking part in this debate.

In perusing Bill C–329, we learn that the horse was sent by the King of France, was invaluable to settlers in their efforts to survive and prosper. We learn that the horse has a number of fine qualities, including strength, endurance, intelligence and good temper.

We also learn that it was nearly lost at one point through interbreeding and casualties in war. Allow me to add a few points, because I believe it is important to understand the history of this exceptional animal and see how it developed.

• (1810)

The very first horse to touch the soil in New France arrived in Quebec City on June 25, 1647. At that time it was called the Canadian horse, and there were no horses in this part of North America. The region's dense and broad forests effectively prevented crossbreeding with other types of horses. There was no possibility of interbreeding with the breeds of horse brought in by the English and by the Spaniards in the south.

It was only after 1759 that export to the United States and crossbreeding with other types of horse became a possibility, and the numbers of the purebred Canadian horse began to decrease.

Sometime around 1880, faced with the real threat of the breed's disappearance, people decided to act. Quebecers like François Pilote, Édouard Barnard and, particularly, Dr. J.A. Couture, a veterinarian, decided to ensure the species' survival by selecting and breeding the best of the remaining horses. Dr. Couture, among others, gathered in a breed book all of the subjects combining the breed's distinctive characteristics to ensure their protection.

Thus, through this brief history, we can see that the Canadian horse arrived and was bred in Quebec. Those who raised and trained them were the inhabitants of what would become Quebec. These same people took steps to ensure that this symbol of strength and pride would not disappear from our continent.

In the light of these facts, it would be a good idea perhaps for any future recognition of this horse as the national horse to contain greater reference to Quebecers' contribution to its survival and conservation.

Furthermore, since the government of Quebec is currently considering a similar request, it seems more in keeping with history that any recognition of this breed as a national emblem should come from the Quebec National Assembly rather than from the House of Commons.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am pleased to enter the debate on Bill C–329 to recognize the Canadian horse.

I must admit I am not knowledgeable about horse breeding. One of my constituents brought the bill to my attention. As I read over the history of this horse in Canada, I realized it is part of our identity, part of our cultural history. The member from the Reform Party who went into great dissertation about the irrelevance of the legislation, I believe, misses the very important point that cultural identity is what makes a nation.

Looking at the history of this horse, in 1665 it originally came from the royal stables of King Louis XIV. It was situated in New France. During that time the breed strengthened and became larger until 1759 at the time of the collapse of New France.

It is interesting to study political economics. It is something I have always been fascinated with. There is always so much concern about what happened on the Plains of Abraham in revisiting our history of those days. If we were to study the history of New France prior to the Wolfe–Montcalm battles, we would discover an economy that was rampant with inflation, high debt and high unemployment. It is interesting that these are some of the very problems we have today.

After the collapse of that economy, many French speaking people of New France left the province. They went to Manitoba.

• (1815)

Do we see any similarities between some of these things and some of the debates that are happening in our House today? The Canadian horse typifies Canada itself, often struggling against tremendous forces of nature and social situations, sometimes

becoming almost extinct, and from the brink of that extinction fighting back, becoming stronger, becoming more proficient.

I often like to view art. The members of the Reform Party do not seem to have much interest in art. If we go to the National Gallery we will see a number of paintings there by Cornelius Krieghoff. Cornelius Krieghoff of course was not a Quebecer, but he painted at the time of New France. In those pictures you will constantly see the Canadian horse. That is very much part of our cultural identity. That is also why it is very important that this nation continue to exist, because we have something very special to protect. A horse clearly cannot run on three legs. The Canadian horse is not just part of Quebec; it is part of all of Canada.

As a previous speaker has mentioned, there is quite a breeding operation not far from the Hill, in North Gower. When I read the background of this horse, that also rang a familiar bell with me, because the last time I went horseback riding was in North Gower.

In conclusion, in looking at the struggles this horse has been through, it is very appropriate that he is called the Canadian horse. More important, it is incumbent upon us in this House to look at those things that make us a nation rather than those things that divide us.

The struggle for Canada in this part of North America has not always been easy and has often been met by trials and tribulations and indeed death. Often our concern in this country was to protect ourselves from the Americans south of the border through wars and now even the consistency of cultural identity in Canada. We continue to resist the imposition of American culture in our society and we continue to strive for the dominance that is Canada's culture. This horse is a symbol of that.

I am very happy to support this bill. I want to remind some of my colleagues in the House that we must always fight for a united Canada.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, it is indeed a pleasure to have this opportunity to speak on the bill before the House by my colleague from Lanark—Carleton, Bill C–329, an act to recognize the Canadian horse as the national horse of Canada.

The history of this breed is impressive. The Canadian horse was introduced into Canada in 1665, when the King of France sent horses from his own stables to the people in his North American colony. The breed thrived and multiplied in its new home from 145 head in 1679 to over 5,000 in 1720, in that short period of time.

The history of the Canadian horse is also the history of Canada's agricultural pioneers. These animals became an invaluable ally to the settlers in their efforts to survive and prosper in their new homes.

I want to talk about this for a minute, because I found it very interesting. When the member from the third party was here he said we should be talking about more important things in the House right now. We have a motto on my farm back home. The motto is very simply this: mindful of the past, planning for the future. It goes to show members how important our history is to us in this country. If we have no past, we really do not have much to look forward to in the future.

• (1820)

In these days of tractors and modern machinery, when a farmer goes out to plough his field he hops into a 100–plus horsepower tractor that is pulling anywhere from six to ten furrows behind him in an air conditioned cab. He is listening to the radio and the markets as he is doing his job. However, back in the days of the Canadian horse, a farmer went out and had a single furrow in front of him, the horse in front of him, the reins around his neck, two hands on the handles, and he went out ploughing.

Today, with the equipment we have we can plough 15 to 20 acres a day. Back then, a farmer ploughing a field with a horse in front of him could do two acres a day. Members might be interested to know that for every acre he ploughed behind a horse he had to walk 10 miles. For the farmer to do two acres a day he would walk 20 miles. I should be getting more exercise like this.

The horse has always been there. I come from Grey county in Ontario. When the surveys of Grey county were first being done there were two surveys. One was called Rankin and the other was called Trainer. The distance from Owen Sound down to Hamilton is about 150 to 180 miles. When these gentlemen were setting out the surveys to lay out the townships and the roads and everything in the early 1800s, which does not seem all that long ago, the fields were not there. It was all covered with forests. These gentlemen came with backpacks and horses from Owen Sound. They worked their way down and set up food caches all the way through. They came from Hamilton and worked their way up so they could start to do these surveys. The surveys took quite a while.

When the surveys were done, of course, there was still a forest to clean away so we could get into agriculture with open fields. The horse was there again. The farmers were cutting down trees and were using horses to pull those trees and stumps away.

This summer I was up in Collingwood, which is part of my riding. They have a fair called the Great Northern Exhibition. They show horses. It is part of our heritage, our past. I watched and handed out trophies this year for the horse pulls. It is a very competitive atmosphere.

In my own village of Holstein, we have a Santa Claus parade every year. One of the prerequisites to be in that parade is to have a horse–drawn float. There are Mennonites and Old Order Mennonites in my area who use horse–drawn equipment, the horse and buggy, the democrat. Maybe the pages do not know

what a democrat is. It is a long wagon affair with a number of seats in it, which a sizeable family can sit in. Some of these families have eight to ten kids, all behind the horse.

In the Depression years our family lived on a farm. We had a large stand of timber on the farm and we sold wood. How did we get it to town? We hauled it with a horse. This was all part of agriculture.

The Canadian horse is known for its strength and endurance. There have been a number of historical accounts of the horse's performance and ability to outperform animals of much greater size. I am talking about Belgians and Percherons, horses of that kind, which are sizeable horses when you get beside them. Never get stepped on by one. I did when I was a child.

One story tells of a butcher who hooked his Canadian horse to a buggy and travelled 250 kilometres from Quebec City to Montreal in less than 12 hours, outracing the overnight steamer that was racing against him to collect an unpaid bill.

There was another account from the *Breeder's Gazette* of Chicago in 1914. I think the hon. member touched on this, but I will say it again, because we have to show how good the Canadian horse is. It is not very often that we in this House beat our own drum on how good we are as Canadians. I think we should do it more often. The Canadian horse is a good example. A wood merchant was the owner of a Canadian horse weighing approximately 1,050 pounds. He harnessed it to the same pull against another horse about 200 pounds heavier. The Canadian horse was always kept in its harness traces, well stretched and never showed as much fatigue as his heavier mate. After two years of common work the heavier horse died. "The question on the cause of death", the driver answered, "is the Canadian horse made him die of overwork".

• (1825)

That goes to show how good this breed is that we are trying to recognize as something that is Canadian. Canada should be very proud too because as a united country we are number one in the world today. Again I have to stress the fact that my colleague from the third party seems to miss this point. I find it unfortunate that he and my Bloc colleagues they do not understand how good they have it right now.

Despite its qualities the Canadian horse almost faced extinction through inbreeding and neglect. In 1886 a few admirers banded together to establish a breed registry or a stud book listing all the purebreds.

In 1907 a second book was opened and the federal department of agriculture funded a panel of judges to survey approximately 2,500 horses, out of which only 969 were acceptable and registered as foundation stock. That is how close we were to losing the Canadian horse.

Between 1913 and 1981 the federal and Quebec governments launched programs to maintain the breed. However, in 1976 with only 383 Canadian horses left on record, once again the horse was destined to disappear. This is what the hon. member across was talking about, this resiliency of Canadians. We bounce back. We will bounce back. We always do bounce back. The Canadian horse is a good example of this.

During the past 10 years there has been a resurgence of interest in the breed. People are rediscovering the little iron horse. Is that not a great way of describing a symbol of Canada, the little iron horse. It is a gentle hardworking breed, an intelligent, multi–purpose horse. There are breeders in my riding of Wellington—Grey—Dufferin—Simcoe that have written to me to proudly describe these animals, which is one of the reasons I am here today supporting the member's bill.

This bill provides us with an opportunity to celebrate this uniquely Canadian horse. We owe much to it for its hard work in developing this country and I encourage all the members to support this bill.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I am very pleased to rise today to speak in favour of Bill C–329, an act to provide for the recognition of the Canadian horse as the national horse of Canada.

Since their introduction into Canada in 1665, the "little iron horses" have served Canadians well. Not only were they used for driving and riding but they were also used for clearing land, cultivating and hauling. They may have begun their lives as pampered pets in the royal stables of King Louis XIV but once they were shipped to Canada they had to earn their keep.

The early history of the Canadian horse in some ways resembles that of the colonists themselves. In her pictorial history of the Canadian horse, Gladys Mackey Beattie notes that due to natural selection, only the strongest managed to survive. The conditions under which they had to exist gave them endurance found in no other breed.

Over time the horses became smaller in size than the original imports, but they were much more hardy, could thrive on meagre rations, trot tirelessly through mud or snow by day or night, matured at an early age and were long lived as well. Many stories are told of the strength and stamina of the little horses who could eat less but do more work than other horses almost twice their weight, and they could run. The record books of the 1800s are full of references to record times of the pacers and trotters descended from Canadian horses.

• (1830)

The historian, Faillon, described the horse as "small but robust, hocks of steel, thick mane floating in the wind, bright and lively eyes, pricking sensitive ears at the least noise, going along day or night with the same courage, wide awake beneath its harness, spirited, good, gentle, affectionate, following his road with finest instinct to come surely to his own stable". What fitting attributes for a national symbol.

Another reason to recognize this uniquely Canadian breed as our national horse is its need for protection and encouragement. Throughout history, despite its strength and stamina and sometimes because of it, this little horse has often been in real danger of extinction. After 1670, the last year that horses were shipped to Canada as gifts to nobility, the 40–odd horses in New France multiplied. Their numbers reached 5,200 by 1720 and 12,000 by 1760. However when the British captured Quebec in 1759 the fortunes of the Canadian horse began to decline. British immigrants brought their own horses and bred them to the durable little Canadians, depleting the purebred stock.

Many French Canadians packed up and moved away to Manitoba or the United States, taking their horses prized for their cross breeding qualities with them. From 1861 to 1865 thousands of Canadian horses were shipped to the U.S. to be used as cavalry mounts and pack horses during the American civil war. A great many died in the war and those that survived never returned to Canada.

By the end of the 19th century only a small number of pure blooded Canadian horses were left. Despite breeding programs only 383 registered Canadian horses were on record as of 1976, and the future of the breed seemed pretty dark. Since the late 1970s determined Canadian horse lovers and breeders who believe it is a perfect all–purpose family horse have increased the numbers to the point where the breed is no longer in danger of disappearing.

As gentle, relaxed and intelligent as they are, some breeders believe they will be in greater and greater demand for tourist activities from endurance trail rides to pulling visitors through the narrow streets of our oldest cities.

However until now the horse that can "do everything but dance" has certainly not received the recognition and honour it deserves. The little iron horse was an integral part of the lives of Canadians more than 300 years ago, working alongside our first colonists and doubling as carriage horses for the family and race horses on Sundays and holidays.

All in all it is what J. G. Rutherford, federal veterinary director and livestock commissioner, reportedly testified before a parliamentary committee in 1909 when he said that it was "the best general purpose horse raised in Canada".

It is high time we recognize it as Canada's official national horse and I thank my hon. colleague from Lanark—Carleton for bringing it to the attention of the House.

The Deputy Speaker: There being no further members rising to speak on the matter, the time provided for the consideration of Private Members' Business has expired and the order is dropped from the Order Paper.

It being 6.35 p.m., the House stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 6.35 p.m.)

HOUSE OF COMMONS

Wednesday, October 25, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

NATIONAL UNITY

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, October 25 marks the second anniversary of our government's election. Two years ago, Canadians across the country decided to elect a government that reflected them, one they trusted.

The popular support our government has enjoyed in these past 24 months demonstrates clearly our ability to identify the public's real needs. The challenges are considerable. We are working tirelessly to put the economy back on track and we are confident we will make good all of our campaign commitments by the end of our mandate.

Canadians want the changes we support, and we are sure that, if we continue to work together, Canada will long remain the best country in the world.

* * *

[*English*]

REFORM PARTY OF CANADA

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, two years ago today, on October 25, 1993, the people of Canada sent 52 Reform MPs to Ottawa. They did so because we as a party promised to put their interests as constituents first. Today my Reform colleagues and I thank our constituents for helping us to keep that promise.

A special thanks goes out to the people of Lethbridge constituency for participating in the first leg of my annual fall tour. In places like Diamond City, Picture Butte, Nobleford and Milk River they talked about issues that were important to them, things like jobs, pensions, agriculture and certainly the referendum.

They told me about their hopes and their fears. They reminded me what it meant to be their representative in Ottawa. The main streets and the coffee shops of southern Alberta are a long way from Parliament Hill.

Many of my constituents will never have the opportunity to visit the nation's capital, but the Reform Party believes that by effectively representing their interests in this House of Commons we will be able to bridge that distance.

The Speaker: I have not been able to say this for a long time but thank you, Mr. Speaker.

* * *

QUEBEC REFERENDUM

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I would like to appeal to all my fellow Canadians in Quebec who may be thinking of voting yes on October 30 as a way of protesting against the policies of this federal Liberal government, against this Prime Minister, against the corporate agenda, against the current constitutional impasse, whatever, to think again.

Governments and prime ministers come and go. What is in the interests of all of us and the world is that Canada remain and that progressive Canadians stand shoulder to shoulder in defence of social justice in the Canada we built together in the last 50 years.

We have been an example to the world. Let us not commit the sin of sowing despair when we should be sowing hope, for what hope is there for others who are not so richly blessed if Canadians cannot find a way to live together.

I have always believed that Canada has a mission to be a light to the nations and that Quebec in Canada was integral to that mission. The rest of Canada has not always nurtured that light but that light for the next few days is in the care and keeping of Quebecers alone. I appeal to them not to snuff it out.

* * *

GASOLINE ADDITIVES

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, MMT is the only available gasoline additive in Canada that can reduce nitrogen oxide emissions by as much as 20 per cent. These emissions cause urban smog.

A ban on MMT would have the effect of adding one million cars to Canadian roads by the year 2000. MMT lets Canadian

refiners use less intensive refining which also cuts down on other types of emissions that hurt the environment. In Saint John which has the biggest oil refinery in Canada this is important.

The environment minister with Bill C–94 wants to remove MMT from Canadian gas because she says it will harmonize Canada's standards with the U.S. where MMT is not used. She has also stated that automakers claim that MMT harms their onboard diagnostic systems. Independent studies and American courts have said that there is no such link. Within weeks MMT will be used in U.S. refineries.

I ask the minister to stop Bill C–94 as Canada's gasoline standards would no longer be—

The Speaker: The hon. member for York—Simcoe.

* * *

QUEBEC REFERENDUM

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I would like to commend the efforts of the no side during the referendum campaign.

The federalists have been responsible. We have presented a dream to Canadians. Our dream is of pluralism and tolerance. We want a Canada where our children learn to work together rather than build walls and become isolationists.

As of today we are witnessing a massive outpouring of love and support for the people of Quebec for a united Canada. People from all over Canada, including my riding of York—Simcoe, will be flocking by the thousands to Montreal on Friday to show their support for unity.

David Ducharm and Andrew Douris along with many other school children presented me with a petition calling for Quebec to remain part of Canada.

Better opportunity for our children and for the greater good of humanity is what federalism offers. For the sake of our children, for the love of our children, let us keep Canada together.

* * *

[*Translation*]

BILINGUALISM

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the number of Canadians learning French has increased enormously in the past fifteen years. Thanks to the policy on bilingualism, thousands of young people across Canada are learning French. At first, the debate was fierce, but, little by little, Canadians learned the importance of bilingualism and of the French language.

And so, immersion classes started throughout Canada, and, in British Columbia, 3,000 kilometres from Quebec, many anglophone parents decided their children would learn the second language of their country and join with francophones outside Quebec, who speak both English and French. We have come a long way. The policy on bilingualism has served our country well, and I would like to join the many Canadians who believe in a bilingual Canada and who continue to live together in harmony despite their race, colour and beliefs, and believe in a united Canada.

"Mon Canada inclut le Québec". My Canada includes Quebec.

* * *

NATIONAL UNITY

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, on October 30, Quebecers will make a very important choice: saying yes to separation and to Canada's break–up or saying no to separation and to Canada's break–up. Canadians from all the other provinces hope that when the people of Quebec make their democratic decision, they will choose to remain in Canada.

The people in my riding of London—Middlesex feel that a majority of Quebecers will want to remain an integral part of this country we have built together. We think that they will vote no.

* * *

REFERENDUM CAMPAIGN

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, at the No side rally in Verdun last night, the Prime Minister of Canada confirmed that he had nothing to offer Quebecers who are calling for change.

• (1405)

The Prime Minister of Canada is asking the people to trust him and says that he will never agree to any constitutional change without Quebec's consent. But how can we trust this man who, in 1982, agreed to the unilateral patriation of the constitution without Quebec's consent?

As Lysiane Gagnon wrote in today's *La Presse*: "It is too little, too late. Weeks and years too late".

In the past few days, the no side has begged Canada to help it out, but its appeals have been in vain. At the very last minute, a panicky Prime Minister of Canada has entered the referendum campaign with empty hands. It is too little, too late. Quebecers will not be fooled; they will vote yes next Monday.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. John Cummins (Delta, Ref.): Mr. Speaker, Canadian historian Desmond Morton maintains that a nation is a people who have done things together in the past. It is not bound by language or by a common culture but by a shared experience.

We are a prosperous, peaceful and tolerant society. Most significantly in the words of Jacques Hébert: "Quebec and its differences have been accepted since 1867 within a federation that is the most decentralized in the world, precisely to accommodate Quebec's differences, its distinctive language and education systems, its civil code".

Nevertheless, the separatists would diminish what our forefathers have built, a nation which is the envy of the world, a nation which because it is what it is, continues to be a country of choice for many of the world's less fortunate.

Last June, the leader of the Reform Party cautioned that we cannot stand by passively and allow Quebec voters to make a decision without a vigorous defence of Canada, including a positive federalist alternative to the status quo.

It is time we trumpeted the virtues of this land in which we have been blessed to live.

* * *

QUEBEC REFERENDUM

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, on October 30 the people of Quebec will be called upon to make the most important decision in the history of their province and this country, that being should Quebec separate, yes or no?

[*Translation*]

Canadians from coast to coast want Quebec to remain an integral part of Canada.

[*English*]

The last thing francophones across this great country want is for their nation to disintegrate. Many francophones from my riding of Thunder Bay—Atikokan have communicated to me the sadness they would feel should Quebec separate.

The constituents of my riding plead to all Quebecers to reflect on the virtues of Canada and to preserve our national unity. I am confident that as Quebecers look back on their lives as Canadians, they will see mostly benefits and positive experiences.

[*Translation*]

Our country was born of two cultures who share a sense of family. We may all be different from one another but, at the end of the day, we are still one big family.

[*English*]

QUEBEC REFERENDUM

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I rise today to acknowledge and commend the hard work of two young men from my riding of Beaches—Woodbine.

Sean Lee Popham and Jesse Moore, two students from Malvern Collegiate, have circulated a petition to over 100 schools across Canada. This petition supports a united Canada and rejects any attempt to separate Quebec from the rest of Canada. Sean and Jesse's petition now has over 3,000 signatures from student leaders in both territories and all of Canada's 10 provinces, including Quebec.

Student Councils for a United Canada was created at the 1995 Canadian Student Leadership Conference in Bathurst, New Brunswick. Now more than ever it is important that their message be heard.

The young people of Canada do not want to see this country broken up. They want a secure and prosperous future for themselves and for the young people of tomorrow. Their message to Quebec is this: Say no to the break up of our nation and say yes to a strong, united Canada.

* * *

[*Translation*]

PARTNERSHIP

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, Quebec is at a crossroads. To ensure their future, the people of Quebec must take their destiny back into their own hands. In this context, the mandate for sovereignty that Quebecers will be giving their government next Monday must not be construed as a rejection of Canada, but rather as the will to assume responsibility for themselves. Over the years, the people of Quebec and Canada have developed strong bonds of friendship, and they have many interests in common.

A partnership would be in everyone's best interests, since more than 300,000 jobs on each side are at stake. Partnerships are clearly the way of the future.

On October 30, Quebecers will not only take their destiny into their own hands but also hold out a friendly hand to their Canadian partners.

* * *

• (1410)

FRANCO–ONTARIANS

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, after being insulted last week, when the Bloc member for Rimouski—Témiscouata said: "The francophones—poof!",

we, Franco–Ontarians, have decided to speak up. After countless press conferences and all kinds of protests, the French speaking community of Ontario is now mobilizing and organizing a rally to be held tomorrow at La Cité collégiale, in Ottawa. This rally will be an opportunity to proudly show that the French language is alive and well in Ontario and that La Francophonie wants Quebec to remain in Canada.

Tomorrow, it will be our turn, as francophones living in Ontario, to say "Poof!" to everyone who wants us gone for the sake of justifying Quebec's separation.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, yesterday in a speech to thousands of supporters of the no side, the Prime Minister told Quebecers that he is not opposed to future change in Canada if they vote no.

The Reform Party has long called for renewed federalism without constitutional change. To this end it has put forward a 20–point plan to modernize and decentralize Canada.

By adopting the Reform Party policy paper on a new confederation, all of the provinces of Canada would benefit from a decentralization of powers. Furthermore, the 20–point plan would allow for reform of our institutions and could be made, bringing greater representation to the people and the regions of Canada.

Most important, by adopting the plan, the changes could be made without comprehensive federal–provincial negotiations, such as the Meech Lake or the Charlottetown accords.

[*Translation*]

Mr. Speaker, on behalf of all Canadians, I want to point out that voting no does not mean voting for the status quo.

* * *

THE CONSTITUTION

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, yesterday, the Prime Minister said: "Voting no means rejecting separation. It does not mean that we give up anything regarding the Canadian constitution. We will keep open all the other paths for change, including the administrative and constitutional ones".

On Monday, Quebecers will decide not only the future of Quebec, but also, indirectly, the future of Canada.

Quebec's claims are increasingly echoed by a number of other provinces.

The changes that many of our fellow citizens have been hoping for can only be achieved by voting no. We are confident that, on October 30, Quebecers will say no to the break–up of Canada and that they will choose to continue to work to improve our great country.

* * *

THE CONSTITUTION

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, this week, the Prime Minister's cynicism has reached new heights. After claiming that he always supported the distinct society concept, when in fact he fought against its inclusion in the Meech Lake accord, the Prime Minister said yesterday, in a speech in Verdun, that any constitutional change affecting Quebec would only be made with the consent of Quebecers.

This absurd statement from the very person who imposed the Canadian Constitution on Quebecers, when the Quebec Liberal Party and the Parti Quebecois were jointly opposed to it, shows that the no side is panic stricken.

Quebecers will no longer be taken in by such equivocation. On October 30, they will vote yes to denounce the patriation of the constitution imposed to them in 1982 by the current Prime Minister of Canada. Quebecers will vote yes to be on an equal footing to negotiate from a unified platform. On October 30, they will vote yes to give themselves a country.

* * *

NATIONAL UNITY

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, yesterday, the no side held a very important rally in Verdun. A large number of people came to hear the leaders of the no side talk about Canada's future after the referendum.

These thousands of Quebecers were elated to hear their leaders reaffirm their profound attachment to Canada, as well as their confidence regarding our country's future.

Canada is in constant evolution. Voting no in the referendum will allow that evolution to continue in light of what Quebec and the other provinces are calling for. However, voting yes would mean the break–up and the end of Canada. But Quebecers do not want that and they will vote no.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday in a speech to his supporters in the referendum campaign, the Prime Minister made an about–face and promised Quebecers change as an incentive to vote no in the upcoming referendum.

My question is directed to the Minister of Labour. Would she agree that these last minute promises, made in a panic by the Prime Minister a week from the referendum, sound very familiar to Quebecers who remember the referendum in 1980?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, yesterday the Prime Minister of Canada explained his point of view to all those who believe in the no side, saying how serious the situation and the choice made on October 30 were for the future of our country, and that this was a choice Quebecers had never had to make before in their entire history, because just one vote would mean the break–up of Canada.

So the Prime Minister urged all Quebecers to think carefully before they voted, to think carefully about what Canada is today, what Quebecers are today, before they go and vote. That was basically the Prime Minister's message last night.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we are discussing the complete about–face made by the Prime Minister.

I therefore want to ask the Minister of Labour why Quebecers should trust someone who made promises to them last night, when only last Sunday in New York, he bluntly rejected the demands of Daniel Johnson, the chair of the no committee? Why should we trust the man who betrayed Quebec in 1982?

The Speaker: Once again, my dear colleagues, I would ask you to be very careful about your choice of words used in both questions and answers.

This is a question and answer period, so I hope we can keep reasonably calm.

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, unlike the hon. member for Roberval, the Prime Minister of Canada is aware of the gravity of the situation and does not take the destruction of this country lightly.

This country is not just any country. It is the best country in the world. And the Prime Minister of Canada has always been a proud francophone, a proud Quebecer and a proud Canadian. In this, he is like the majority of Quebecers who are proud to be Quebecers but are also attached to their country, Canada. That is where the Bloc Quebecois is wrong.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the editorial writer for the *Daily Gleaner* in Fredericton wrote the following on Monday: "At the beginning of the referendum, the rest of Canada was asked to remain silent". In return for that silence, assurances were given that there would be no promise of constitutional change for Quebec.

• (1420)

Does the Minister of Labour agree that this revelation of an agreement between the Prime Minister of Canada and people in the other provinces outside Quebec is strangely similar to what happened that night in 1980, when Quebec was betrayed by the same man, the same—

The Speaker: I want to ask the hon. member for Roberval to please change the word he used. I would appreciate it if this word were not used in the House of Commons.

Mr. Gauthier: Mr. Speaker, to conform to your instructions, I will change the word I used. So is this not strangely similar to what happened at a time Quebecers remember with sadness in their hearts, when they had problems with the same man, in the same way, with the same players and for the same reasons?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, oddly enough, in this referendum campaign, the three leaders who want the break up of this country had to sign an agreement among themselves. It is the only written agreement in this referendum campaign. On the other side, we have Quebecers who do not want the break–up of this country, and to share the same goal, we do not need an agreement in writing.

If there is anyone today who could not care less about the distinct society concept that we as Quebecers support, it is the leader of the yes side who said in no uncertain terms: "To hell with a distinct society. We want a country". That is what the choice is about on October 30. It is about the break–up of Canada as we know it today, and that is why it is such a serious matter.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, yesterday the Prime Minister made the following statement, and I quote: "Any changes in constitutional jurisdiction will only be made with the consent of Quebecers". This somewhat ambiguous statement is devoid of any meaning; moreover, the Prime Minister took great care not to pronounce the words "right of veto", but rather allowed the idea to circulate without ever stating it.

Will the Minister of Labour confirm that the Prime Minister's statement does not in any way constitute a right of veto as Quebec has always understood and demanded it, but is instead a vague promise that is more or less devoid of meaning?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I think this is evidence of a lack of desire to properly understand what the Prime Minister of Canada said yesterday. The Prime Minister of Canada was very clear about the distinct society and said that he accepted it.

He was very clear in stating that the constitutional changes affecting Quebec will be made after consultation with Quebec-

ers. He was very clear in stating that this country is undergoing a very great transformation in preparation for the 21st century and that his heartfelt wish is that Quebecers will participate fully in these changes for the 21st century. That was the Prime Minister's message.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister is not being very clear. What she was asked involved the right to veto, changes with the consent of Quebecers, these being the words of the Prime Minister, but as usual she is not answering the question. I shall attempt another.

Can the Minister of Labour tell us what reassurance there is for Quebecers in such a statement by the Prime Minister, when in 1992 he overrode the virtually unanimous opposition of the parties represented in the Quebec National Assembly, including the Liberal Party of Quebec, of which she was not so very long ago a member, and the leader of the present Liberal Party had voted against unilateral patriation of the Constitution? This Prime Minister was therefore identifying himself as a Quebecer at the time, and Quebecers were represented at that time by 74 Liberal members in the House of Commons. How can there be any confidence in a person who has reneged on his commitment to Quebec?

• (1425)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the present Prime Minister of Canada is very aware of the whole constitutional history of this country. He is also well aware of what has happened in Quebec. He understands very well, too, the disappointment some Quebecers may have felt at certain points in the history of this country. For the past two years, however, this Prime Minister has been leading this country; let us look at what he has done in those two years to respond to the needs of all Canadians, to respond to their concerns, their needs.

When the Prime Minister of Canada speaks, I feel that we can judge him very well by the actions he has undertaken in the past two years as the Prime Minister of this country. He did not govern by "referendum" for the past two years; he has acted, and he has governed this country.

* * *

[*English*]

FEDERAL SPENDING

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the separatists say that Canada cannot change and will not change but Reformers insist Canada is going to change, and without the help of constitutional lawyers and the federal-provincial wrangling they bring.

One of the real changes Quebec and every other province wants is a limit on federal spending. It is unchecked federal spending that has led to federal encroachment in areas of provincial jurisdiction, huge deficits and debt and a staggering tax burden for all Canadians. Legislation is required to limit federal spending power.

My question is for the finance minister. Is the federal government open to that kind of change, simply limiting federal spending power, a practical change that can be accomplished without constitutional wrangling?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have been very clear on this side of the House and have agreed with the position put forward by the hon. member and his party as to the need for fundamental change.

We have also said in two successive budgets that what we were doing was not simply cutting spending but redefining the role of government because that must happen in the modern age.

In that area there are items on which we may or may not agree. We have said that as far as we are concerned the best controls on spending we can have are short term targets on which the government's feet are held to the fire. That is what has enabled us to hit our targets consistently and that is what we intend to continue with.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the biggest problem with our current Constitution is not so much its content but its application. The federal government has used its spending power to encroach on provincial areas of jurisdiction such as natural resources, manpower training, social services, language, culture and so forth.

The answer to the separatists is a more balanced federation which can be done by re-examining and reducing the federal role in areas of provincial jurisdiction.

Is the federal government open to this type of change, a simple withdrawal from provincial areas of jurisdiction, again changes that can be made without constitutional wrangling?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not only is the federal government open to that kind of change but in looking at what has happened over the course of the last two years, we have done this in a number of areas.

The hon. member should look at the great openness displayed by the Minister of Human Resources Development concerning ways he would work with the provinces. He should look at what the Minister of Natural Resources has done. Look at regional agencies. Within Quebec we have taken 43 programs down to one to concentrate on small and medium size business and the

delivery of federal government programs. In department after department we have effected that kind of change and we have done it without any constitutional discussion.

• (1430)

The federal government is concentrating on those areas where it can make the maximum impact and is allowing the provincial governments and municipal governments to do the same thing.

The kind of change the leader of the Reform Party calls for is in the process of happening, but it is happening without the kind of rupture and dismantlement the PQ or the Bloc would advocate. It is happening for the betterment of all Canadians.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadians are offering Quebecers change, real change, not superficial, symbolic constitutional change.

People cannot eat the Constitution. They cannot pay their mortgages with the Constitution. They cannot build their dreams on constitutional clauses.

What is needed today is a changed federal government that respects provincial powers, stops reckless spending and taxation, and gives all provinces the tools they need to develop the strengths of their own communities and economies. That is possible with a no vote.

Is the federal government open to these kinds of changes? Is the Prime Minister open to these kinds of changes? If the government is, how does it propose to demonstrate that openness in practical ways before October 30?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the proof is in the pudding. If we look at what the government has done over the last two years, we see that the fundamental process of change is under way. There is only one thing that can stop the process of change and that is a yes vote, which would make the country go back to square one.

The fact is that a no vote means that the evolution of the country, along with the evolution of the nations around the world, is something that is proceeding apace.

[*Translation*]

Mr. Speaker, if you want proof that the federal government is open to change, just look at the remarkable speech the Prime Minister made last night in Verdun.

* * *

REFERENDUM CAMPAIGN

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is directed to the Minister of Labour.

When the Prime Minister talks about distinct society, he keeps referring to a concept that is meaningless and subordinate to the principle of equality for all the provinces, a concept that was rejected by Quebecers in the referendum on the Charlottetown accord.

Yesterday, it was impossible to get a specific answer from the Minister of Labour, so we will ask her the same question today. Could the Minister of Labour tell us what kind of distinct society the Prime Minister wants for Quebec, the one in the Charlottetown accord, which is meaningless because it is subordinate to the equality of the provinces or the one in the Meech Lake accord, which the Prime Minister opposed so strenuously?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is quite simple. I will repeat in this House what the Prime Minister had to say about the meaning of distinct society.

"A Quebec recognized in Canada as a distinct society by virtue of its language, culture and institutions. I have said it before and I say it again: I agree", the Prime Minister said.

Does the Bloc Quebecois agree with a distinct society?

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, yesterday the minister said in this House that Clyde Wells was in favour of a distinct society. Are we to understand that when the minister and her Prime Minister talk about distinct society, they are referring to the same definition as Clyde Wells, in other words, a definition that is completely meaningless and without any of the powers demanded by Quebec for more than 30 years?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is such a surprise to see the Bloc Quebecois anxious to defend the concept of distinct society, while their present leader, the leader of the yes side, Mr. Parizeau, says he does not want to hear about distinct society; he says to hell with distinct society. He is just not interested. He is interested in destroying Canada, to make a new country. That is the big difference between the Prime Minister of Canada and the Premier of Quebec.

We want to keep this country called Canada, and we want to remain proud and distinct in Quebec.

• (1435)

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my question relates to the Prime Minister's speech last night and other discussions of possible constitutional changes.

Before the Charlottetown accord the Reform Party and the Liberal Party had made commitments that all major constitutional amendments should be done only through national referendum. Is it still the commitment of the Liberal Party that any constitutional changes being planned must be submitted and approved by the people in a national referendum?

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, what the Prime Minister said yesterday, very clearly, is that any changes in constitutional jurisdictions will only be made with the consent of Quebecers. It seems to me that, as a statement of position by the government, this is very clear.

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I think that is a wise commitment and I hope the Prime Minister is prepared to make it to all Canadians.

After the referendum in 1980 we entered into constitutional discussions with a PQ government in Quebec. That proved to be very problematic for the country as a whole and particularly problematic for Quebec.

Does the government believe that the PQ government would be a willing, open and constructive participant in constitutional negotiations?

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is very clear that after this referendum, in which we hope with all of our hearts that this country will remain united, the premier of Quebec will still be Mr. Parizeau. Since Mr. Parizeau's sole dream and sole obsession has always been to create a separate country, it would perhaps be a little surprising if he were to sit down at a constitutional conference table. May I express the hope that the premier of Quebec will bow to the democratic vote of Quebecers?

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Labour.

Clearly, English Canada categorically rejects any possibility of constitutional change in Quebec's favour. This is why the leader of the Reform Party said there was no market for a distinct society, that it was old hat.

Will the Minister of Labour acknowledge that, although the Prime Minister has been saying he wants to enshrine the principle of a distinct society in the constitution, he will be unable to because of the steadfast opposition of English Canada as expressed yesterday by the premiers of British Columbia, Newfoundland and Manitoba?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I think the words of the Canada's principal leaders are once again being twisted.

What a number of premiers said is that they recognize the principle of a distinct society for Quebec, but wonder whether it was a priority here in Canada at the moment to sit down and change the country's Constitution.

This is what the premiers of the other provinces said. Quebecers are saying exactly the same thing. When asked what the priority should be for their provincial government, how do they respond? Over 80 per cent say it should be the economy, employment, health services or education. Only 8 per cent mention Quebec's political status. So, if we are going to respond to the priorities expressed by our fellow citizens, we must look to the problems before us first and foremost. This is what the premiers confirmed in the other provinces.

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, are we to understand the reason the premiers of English Canada are so steadfastly blocking constitutional change is once again because of the bargaining that went on before the start of the referendum campaign between them and the Prime Minister of Canada in which they promised there would be no constitutional change for Quebec, as the editorial in the *Daily Gleaner* indicates?

Mr. Robichaud: That is disgusting, what she is saying.

• (1440)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, probably the member for the Bloc Quebecois made a mistake when she spoke of our Prime Minister as the prime minister of English Canada. As far as I know, our Prime Minister, a francophone from Shawinigan, is the Prime Minister of all Canadians.

Some hon. members: Hear, hear.

Mrs. Robillard: And as the Prime Minister of all Canadians, including Quebecers, it is his responsibility to make clear the seriousness of the choice awaiting us on October 30—the destruction of our country, Canada.

I repeat that this is not just any country in the world, it is a country which we are proud of and which we have grown and developed in. I can tell you that everyone who believes in this country will do everything they can so that everybody says no to separation on October 30.

* * *

[*English*]

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Reformers in the provinces want the federal government to respect their jurisdiction in health. The minister has resisted this approach until now.

Will the health minister today commit to respect the provincial jurisdiction in health?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, one of the reasons that Canada is the best country in the world is our medicare system.

The Canada Health Act respects the jurisdictions of the provinces and allows the provinces every flexibility in managing the system but does insist that they adhere to five principles to protect equal access for all Canadians in order that they receive the funds transferred from the federal government to the provinces. That has ensured that we are the best country in the world and that we have the best medicare system in the world.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the constructive changes the provinces want would be easy to achieve: stable, predictable funding along with legislation that puts the needs of patients ahead of the needs of bureaucrats.

Will the health minister today agree to meet with provinces that desperately want to have those constructive changes?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I have met with provinces and will continue to meet with provinces. I will work with provinces in any way I can to ensure we have a system that meets the needs of Canadians that is not a two–tier system.

We know the agenda of the Reform Party. It wants a U.S. style two–tier system, one for the better off Canadians and one for the rest of Canadians. That is not the way we built our country and that is not what made the country great.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, my question is for the Minister of Labour.

In his speech yesterday, the Prime Minister indicated that he still favoured administrative agreements as a way to meet Quebec's demand that the federal government withdraw from Quebec's areas of jurisdiction.

Can the Minister of Labour tell us how Quebecers can trust the Prime Minister when he proposes administrative agreements, since the only time he proposed such an agreement—it was, may I remind you, in the area of manpower—, the minister, in solidarity with her former boss, Daniel Johnson, rejected it, calling it a third–rate agreement?

• (1445)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, once again, I will have to quote the Prime Minister's statement in extenso, since the member of the Bloc Quebecois omitted part of the sentence. He said, and I quote: "We will keep open all the other roads to change, including administrative and constitutional means".

I think the intent is quite clear: to keep open both administrative and constitutional roads to change. Throughout this country's history, we have found various ways to make changes, without necessarily reopening the constitution. At this time, we only have to look at the whole issue of immigration in Quebec and all the powers granted to Quebec to choose its immigrants and welcome them into Quebec society. All this was done by administrative means. So we should certainly not set aside this way of effecting changes.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, in response to Liza Frulla, who, last Monday, called for the federal government's withdrawal from the area of culture, how can the Minister of Labour answer that a mere administrative agreement could be enough to solve the problem, and will she dare give the same answer to stakeholders in the cultural industry?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the Prime Minister stated very clearly that this country is on the road to change and that, in order to meet the challenges of the 21st century, Canada as a whole has no choice but to change because we now face international competitors that were not even on the scene 10 years ago.

We must question our ways of doing things. We must review the role of the various levels of government and this is what we in the federal government will work on after a no vote in the referendum.

* * *

STATUS OF WOMEN

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, at the recent women's conference in Beijing, Canada was awarded the global award by the International Federation of Business and Professional Women.

Can the hon. Secretary of State for the Status of Women explain to us what this award means and on what basis Canada was selected to receive this prestigious prize?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, Canada was indeed honoured with this prestigious prize, and this goes to show that Canada is a great place to live for everyone. This is something we should all be proud of. This government has furthered the cause of women: their equality, prosperity and safety throughout the country, including Quebec. Remarkable progress has been made, and the Quebec minister herself agreed with this and congratulated Canada for it.

The men and women who attended the rally in Verdun last night recognized the benefits of living in Canada, the standard of living we enjoy in this country, and stated that they wanted to live a strong Quebec within a united Canada. They said no to separation.

[*English*]

TRAINING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, last night the Prime Minister admitted he is open to all paths for change to the administration of government. One area in which the provinces have long been seeking jurisdiction is training, which Reformers also have long advocated.

Will the Minister of Human Resources Development follow suit and commit to giving the provinces exclusive control over manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the commitment the Prime Minister made last night about change is something on which we invited Canadians to join with us a year ago in an honest and forthright way to engage in a look at the social systems and the training systems of Canada.

● (1450)

We have had the largest participation of any initiative of that kind. Hundreds of thousands of Canadians participated and the message was clear. They want change. They want more flexibility. They want more collaboration and they want more decentralization.

I have sat down on several occasions with my provincial counterparts to talk about how we can achieve that collaboration. For example, we offered specifically to all provinces the right to take over responsibility for institutional training, all the training that takes place in the community college system.

We have had very positive responses. Unfortunately the minister of employment in the Government of Quebec refused to have a discussion. He refused to hear our plans for collaboration and would not engage in that important dialogue.

The most important way we can give real voice and real life to the aspirations Canadians expressed over the past year about the change they need is to have a vote of no on Monday and get on with the business with the provinces of making good changes to get people back to work.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I appreciate the answer from the minister of human resources. I will take this one step further, responding to the opening of the door last night by the Prime Minister to change the status quo.

I ask the minister now to commit to a time and a place he will get the provincial ministers together so they can negotiate the decentralization of manpower training.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, over the last two or three months I have held at least eight or nine different meetings with provincial ministers to the point of discussing how we might come together and get agreement.

In the member's province of Alberta we now have an agreement with the Government of Alberta to set up single delivery systems for young people to help them get back to work, particularly people who have long been out of work. We have in Lethbridge, Red Deer and Edmonton trial projects with the Government of Alberta.

Even in the province of Quebec we have come to an agreement in the city of Alma, the home of the Leader of the Opposition, to have a co–operative joint initiative by the federal and the provincial governments to help unemployed workers in Alma in a co–operative way.

The best way to ensure a speedy timetable of agreement so we can develop a job system relative to the 21st century is a no vote on Monday so we can get back to work as federal and provincial governments and design the best system possible for all Canadians.

* * *

[*Translation*]

COUNCIL FOR CANADIAN UNITY

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, my question is for the Minister of National Revenue. The Council for Canadian Unity is very active these days, since its mission is to promote Canadian unity.

How can the minister justify that, when making donations to the council, large Canadian corporations, including Alcan, Proctor and Gamble, Dow Chemical and Maclean Hunter, can obtain receipts for charitable donations and thus lower their tax liability?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, several months ago, I answered a similar question from the Bloc Quebecois. Canadian charities are only allowed to deliver receipts if 90 per cent of their activities are not of a political nature. In other words, only a small part of their activities can be of a political nature. The Council for Canadian Unity has been in existence for 29 years, and it may be that these large corporations received tax receipts. We will see if the 10 per cent limit was exceeded.

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, how can the minister justify that the council is enjoying the status of a charity, considering that, in order to obtain this status, an organization must help alleviate the problem of poverty, or promote education or religion?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member is forgetting the other criteria related to that status. Education is one of them. Moreover, the Council for Canadian Unity, which was granted the right to deliver tax receipts, is 29 years old. It was established 29 years ago.

• (1455)

During those 29 years, the council has conducted educational campaigns in Canada. If there is a problem now, I ask the member to provide me with the facts. I will then conduct a review of that charity, and any other charity, if there are reasons to suspect wrongful conduct. If such review is conclusive, the charity will lose the right to deliver tax receipts. However, I need some specific information and details from the member.

* * *

[*English*]

SOMALIA INQUIRY

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

Counsel from the justice department on Monday circulated a letter which sends a message of intimidation to all witnesses and potential witnesses of the Somalia inquiry. Justice department rules and Treasury Board regulations circumvent the openness of the Somalia inquiry and the protection of those giving evidence. Serving officers fear for their careers if they have to come forward.

Will the minister take some action to put a halt to this form of intimidation?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is a matter under the purview of my colleague, the Minister of Justice, who was just called from the Chamber.

However, the letter to which the hon. member referred, written by a Department of Justice official, reflects the long-standing practice of professional conduct with respect to lawyers in that they do not deal with other people's clients without counsel's being informed. That is a basic principle which the Minister of Justice will address.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, minutes ago Justice Létourneau called this a matter of real concern.

The minister in March said in the House: "There would be no impediment to anyone coming forward with evidence". Monday's intimidating justice letter is a serious impediment.

What will the minister do to salvage the inquiry?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we do not have to salvage the inquiry. The inquiry is doing extremely well under the leadership of three very prominent commissioners.

I am informed by the Minister of Justice that his officials have been discussing this matter with all concerned, including the commission, and perhaps more will be said on this tomorrow when my colleague returns to the House.

* * *

[*Translation*]

QUEBEC REFERENDUM

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is for the Minister of International Trade.

Can the minister explain to this House why the members of the Canadian Exporters Association, through their president, Mark Drake, have expressed such concern about the possible consequences a victory for the yes side might have on their future?

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we are not only pleased but proud to announce that Canada's 1995 exports are 20.3 per cent higher than the same period last year.

Our trade surplus with the United States is nearly $5.4 billion higher than for the same period last year. To date our trade surplus with the world is more than $7.1 billion from 1994. This is testimony to the dynamic nature of the business women and men working together across the country.

Canada's membership in OPEC, the World Trade Organization and NAFTA places it in a position to do business in the international markets, unlike individual provinces.

This is testimony that on Monday if we want this prosperity to continue through trade, if we want jobs to increase through exports, we will vote no.

* * *

EMPLOYMENT

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development concerning the role a company called Jobs Incorporated Canada of Campbellton, New Brunswick seems to be playing in the Canada employment department. I am referring to the fact that this company advertised at the CEC office in Winnipeg for a position that would have had the successful applicant greeting clients and explaining programs at the Canada employment office in Selkirk, Manitoba.

Point of Order

• (1500)

I ask the minister: Who is this company? How much privatization is going on in the Canada Employment Centres? And why is this going on without any consultation with the union?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the answer is very simple. Jobs Canada as an organization has established a coast to coast job bank, which takes application forms from prospective employers and résumés from prospective employees. It provides a nationwide service to enable job seekers to find the best possible jobs.

What we are testing out on a pilot project basis in three locations across the country is how we can take advantage of that vast network of job applications and openings at Jobs Canada and build them into our own job bank so we can substantially expand the job offerings for people who come to the CECs. It is simply one way of using new technology and developing a partnership with a private sector firm to help get Canadians better, higher paying jobs.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): I ask the minister: Why was this done apparently without any consultation with the union in Manitoba? Will he undertake to consult with the union and hear its concerns on this matter?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, yes I will.

* * *

[*Translation*]

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the purpose of my point of order is to correct *Hansard* to bring it in line with reality.

During question period, the Minister of Labour no doubt misunderstood what the hon. member for Saint-Hubert said and attributed words to her that she never spoke. She never described the Prime Minister as the "prime minister of English Canada". She did say, and I have her text in front of me: "Are we to understand that the premiers of English Canada—" This was therefore not a reference to the Prime Minister of Canada, which led to a correction and to applause from our friends across the way. Sorry, but this was not the case.

The Speaker: This is perhaps a point of clarification, but it is not a point of order.

[*English*]

Colleagues, I do not see any other points to be raised at this time.

AUDITOR GENERAL'S REPORT—SPEAKER'S RULING

The Speaker: I would like to make a statement regarding the point of order raised last week by the hon. member for Winnipeg Transcona. I would also like at this time to thank the hon. member for Kindersley—Lloydminster and the parliamentary secretary to the government House leader for their contributions to the discussion.

On October 18 the hon. member for Winnipeg Transcona rose to question the admissibility of the auditor general's report tabled in the House on October 5. The report, which was sent to the public accounts committee for examination, contained what in the opinion of the member were "politically biased statements".

• (1505)

The hon. member contended that the auditor general had "overstepped the legal and customary boundaries of his duties as a servant of the House". He requested that I rule the tabling of the auditor general's report out of order, ask that the auditor general submit an amended report, and refer the terms of reference for auditor generals' reports to the Standing Committee on Procedure and House Affairs.

[*Translation*]

The auditor general's importance to Parliament is indisputable. This House relies on the auditor general to help it ensure that taxpayers' dollars are spent for the purposes approved by Parliament and to assist it in holding the government to account for its actions. Under the terms of the Auditor General Act, the auditor general is empowered to report to Parliament. Under the provisions of Standing Order 108(3)(*d*), these reports are then deemed referred to the Standing Committee on Public Accounts.

[*English*]

With all respect, my colleagues, any ruling that is made here in this House affects all hon. members. If any business is to be conducted other than the hearing of my decision, I respectfully ask that it be done outside.

The hon. member for Winnipeg Transcona has long taken an interest in the form and content of auditor generals' reports. I recall that he made a member's statement in the House on this very subject on November 23, 1994. It is clear that his view of the appropriate role of the auditor general is not necessarily shared by the auditor general.

Those who follow the proceedings of the public accounts committee know that this is an issue that is regularly the object of some discussion in the committee.

The hon. member is absolutely correct in his assertion that the auditor general is an officer of Parliament. As a servant of parliamentarians and especially of the Standing Committee on Public Accounts, the auditor general must pay particular attention to whatever difficulties members encounter with his reports in the exercise of their parliamentary responsibilities.

Like any officer of the House, the auditor general should be diligent in responding to the views expressed by members, especially when there is a pattern to their complaints, lest there result an erosion of a very special relationship.

That being said, I must point out that the auditor general's co–operation with the House of Commons and the Standing Committee on Public Accounts is well known.

[*Translation*]

As the Chair has ruled on a number of occasions, it is not my role as Speaker to interpret the laws of Canada. The Auditor General Act lists a number of matters to be treated by the auditor general in his reports to the House of Commons. I do not feel, however, that it is up to me to interpret whether or not what is contained in the auditor general's report meets the criteria of the law. Therefore, I can neither rule the tabling of the report out of order nor demand that the auditor general submit another report, as the hon. member requested.

[*English*]

Finally, I must stress the fact that the auditor general is not an agent of the government. If there is to be a review of his performance, I must agree with the parliamentary secretary to the government House leader that the proper place to do so is in the Standing Committee on Public Accounts. The estimates and the reports of the auditor general are dealt with in this committee on a regular basis. It is within the committee's mandate to bring to the attention of the House, by way of report, any aspect of the auditor general's report and the conduct of the affairs of his office the committee feels the House should be apprised of and should act on.

• (1510)

Should the hon. member for Winnipeg Transcona still wish to pursue this matter, he has every opportunity to bring it to the attention of the Standing Committee on Public Accounts.

I thank all hon. members for their contributions to this discussion.

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 responses to eight petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 94th report of the Standing Committee on Procedure and House Affairs in relation to the list of members of the Standing Committee on Fisheries and Oceans.

With leave of the House, I intend to move for concurrence in this report later today.

[*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 95th report of the Standing Committee on Procedure and House Affairs in relation to the business of supply. In this report the committee respectfully requests that its deadline for reporting to the House be extended to March 29, 1996.

Also, if the House gives its consent I intend to move the adoption of this report later today.

HEALTH

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Health, which is on Bill C–7, an act respecting the control of certain drugs, their precursors, and other substances, and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, with amendments.

I acknowledge the excellent work done by my colleague, the hon. member for Mississauga South, and his subcommittee in dealing with this legislation.

* * *

CRIMINAL CODE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.) moved for leave to introduce Bill C–354, an act to amend the Criminal Code (transmission of HIV).

He said: Mr. Speaker, I am pleased to introduce my second private member's bill today, seconded by the hon. member for Crowfoot and co–sponsored by a number of my colleagues.

If passed by Parliament, my bill will improve the possibility of obtaining a criminal conviction of anyone who knowingly infects another person with HIV, thereby exposing the victim to the fear and risk of contracting AIDS and certain death if he or she does.

If enacted, my bill will create two new offences related to wilful or reckless acts by a person infected with HIV or a person who has AIDS. If the act results in infection with HIV, the offence is criminal infection, with a maximum sentence of imprisonment for life, the same maximum penalty now imposed for manslaughter. The rationale is that victims infected with HIV face a life of fear of contracting AIDS and certain death if they do. In the event the infection with HIV is not proven, the offence is reckless infective behaviour, punishable by imprisonment for up to seven years.

Consent is often an issue in prosecutions under other provisions of the Criminal Code, and this creates problems for the courts. For example, the question of whether a victim consents—

The Speaker: I think we have the general idea. I thank the hon. member very much for his explanation.

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

* * *

• (1515)

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, if the House gives its consent, I move that the 94th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in. This is the membership change report, in case members are confused.

Also, if the House gives its consent, and I believe there is consent forthcoming, I move that the 95th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in. This report is the one that deals with the extension of the deadline for the report of the committee on the business of supply.

(Motions agreed to.)

PETITIONS

CANADIAN UNITY

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, it is an honour and a privilege for me to present a petition from my constituents stating the importance of young people and how their voices must be heard when we make decisions that will inherently affect their future.

A healthy and safe environment, meaningful employment and education are issues that affect all of us but they have a more profound effect on our country's youth, as does a united Canada, a country which includes Quebec.

[*Translation*]

These petitioners want to make sure that, when making decisions that affect young people, whether these decisions concern employment, learning, retraining or training, the constitution or this country in general, we take into consideration our young people in Quebec and the rest of Canada.

[*English*]

PORT OF CHURCHILL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have two separate petitions to present.

The first one is signed by constituents of the Yorkton—Melville riding concerned about the port of Churchill. They feel that the full utilization of the port of Churchill will improve the economy not only of the province of Saskatchewan but of Canada as well. There is a need to develop a strategy to utilize this important seaport to ship other exports as well as grain.

Therefore they urge that the upcoming shipping season usage of the port of Churchill be maximized at the very least to 5 per cent of Canada's annual grain shipment.

ASSISTED SUICIDE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I should like to present a second petition on behalf of 796 concerned citizens from my riding of Yorkton—Melville regarding S–241 of the Criminal Code of Canada which was enacted to protect all individuals. If S–241 were struck down or amended, protection to the disabled, the terminally ill, the depressed, the chronically ill and the elderly would no longer exist and our most vulnerable members of society would feel an implied pressure to end their lives.

Therefore, the House is urged not to repeal or amend S–241 of the Criminal Code and to uphold the Supreme Court of Canada decision of September 30 to disallow assisted suicide or euthanasia.

YOUNG OFFENDERS ACT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am presenting two petitions today.

The first contains 25 signatures and calls on the government to amend the Young Offenders Act.

MINING

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, the second petition contains 175 signatures and calls on the government to remove impediments to the mining industry such as overlapping regulations.

The petitioners pray and call on Parliament to improve the investment climate to stimulate the industry and to keep mining in Canada.

YOUNG OFFENDERS ACT

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present to Parliament a petition from the professional teaching staff of Martin Collegiate Institute in the constituency of Regina—Lumsden.

The teaching staff strongly object to the present status of Canada's Young Offenders Act. They feel the Young Offenders Act has failed to address the issue of youth crime and its negative results in our schools, communities and society in general.

• (1520)

They call on Parliament to enact legislation to significantly toughen the Young Offenders Act as quickly as possible, with a view to making young offenders responsible for their actions, making names of young offenders public and increasing severity of consequences for repeat offences.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. It has been signed by a number of Canadians from Surrey and Delta, British Columbia.

The petitioners should like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession that has not been recognized for its value to society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

GUN CONTROL

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, I am pleased to rise to present a petition signed by constituents of Yellowhead who are strongly opposed to the universal registration provision in Bill C–68. They want protected the right of law–abiding citizens to own and use recreational firearms.

They also are concerned that with Canada's serious deficit and debt problem such costly and unproven legislation should not proceed.

THE ENVIRONMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from the citizens of Peterborough and elsewhere in Ontario concerned about the massive spill of cyanide in the Essequibo River in Guyana, South America. They point out that the spill was the direct responsibility of a Montreal based Canadian gold mining firm called Canbior. They also point out that the safety, livelihood and well–being of some 18,000 Guyanese citizens are affected.

Therefore the petitioners call on Parliament to direct an independent inquiry into the incident in order that the Canadian residents and citizens who have a humanitarian and an environmental responsibility in this matter are informed of the steps being taken to arrange for the adequate compensation of people affected and have steps taken to ensure that necessary measures are being taken to correct this environmental disaster.

I have a second petition on the same topic, in which the signers point out that the river in question is the largest in Guyana; that it passes through the rice producing belt of Guyana, rice constituting one of the country's main exports; and that this is one of the worst environmental disasters since the incident in Bhopal.

Therefore the petitioners call on Parliament to intervene on behalf of the Guyanese people affected by sending a trained team of environmentalists to determine the nature and extent of the danger to residents and the environment, and to aid the Guyanese government.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have two sets of petitions to present.

The first set contains somewhat over 500 signatures from all over Canada including my riding. It requests that Parliament not amend the charter of rights and freedoms or the Canadian Human Rights Act 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.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have a second group of petitions, again from all across Canada including my riding, numbering some 800 signatures, which 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.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if question No. 215 could be made an order for return, that return would be tabled immediately.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Text*]

Question No. 215—**Mr. Abbott:**

What are the names of all the Department of Justice Standing Legal Agents (including civil and criminal legal agents) as of September 1993 and as of June 1995?

Return tabled.

[*Translation*]

Mr. Milliken: Mr. Speaker, I suggest that all remaining questions be allowed to stand.

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

• (1525)

[*English*]

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESS LOANS ACT

The House resumed consideration from October 24, 1995, of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, it is a privilege to speak to the House today regarding Bill C–99, an act to amend the Small Business Loans Act.

This is a very important bill, because the program administered under the Small Business Loans Act has an impact on the Canadian economy. The amendments before the House today, which are part of an ongoing process aimed at reinforcing the Small Business Loans Program and making it sustainable, will help improve the climate in a sector that today generates the strongest economic growth and increase in employment in Canada, and I am referring to small business.

It is common knowledge that small businesses have become a major moving force in the Canadian economy. During the past 20 years, we have seen a remarkable increase in the number of new small businesses in Canada. That small businesses are so important is borne out by the fact that in 1991 Canada had, if we include self–employed workers, more than two million small businesses with fewer than 100 employees, an increase of 50 per cent over 1981.

Small businesses today, many of which are dynamic innovators, will help to define the future development of the Canadian economy. In fact, according to the statistics, Canada increasingly relies on the growth of small businesses to create jobs, diversify economic activities and compete effectively on global markets.

Small business has a profound impact on the Canadian economy and will remain the main source of economic growth and job creation.

That is why the present government's main priorities include ensuring that the small business sector is healthy and prosperous.

Take, for instance, the issue of access to adequate financing. As the government was told repeatedly by members of the industry committee, the ability to obtain financing by contracting loans is extremely important for small businesses. Lack of adequate financing will restrict the growth of small businesses and jeopardize the future prosperity of this country. That is why the government passed a bill that will enable the Federal Business Development Bank, once it has been restructured, to improve its response to the needs of small businesses. As a result of changes introduced by the government, the bank will be in a better position to finance innovative small businesses in the new economy.

The amendments to the Small Business Loans Act before us today were drafted in the same spirit as the changes giving a new impetus to the Business Development Bank of Canada. In both cases, the underlying motive is the same: providing an appropriate policy framework that supports the development and prosperity of Canadian small businesses from coast to coast.

Given its broad scope for action and implementation under the act, the small business loan guarantee program plays a large role in the launching of small businesses and in other aspects of their operations across Canada. It also has an impact on similar Canadian programs.

• (1530)

The difficulties experienced by small businesses in securing loans on reasonable terms have been described in great detail in recent years. The extensive consultations held with representatives of both borrowers and lenders during the drafting of Bill C–99 showed that most stakeholders are concerned mainly about access to financing and not so much about its cost. As far as access to financing is concerned, both borrowers and lenders confirmed the usefulness of the small business loan program as administered under the act.

They recognized that the program was especially helpful in times of economic slowdown. With the exception of farms, religious businesses and charities, Canadian based businesses with annual revenues of $5 million or less may apply for loans under this act.

Almost every small business operating in Canada can now get a loan under the program. Loans made under the act are approved by private sector lenders and guaranteed by the Government of Canada. Loans can be as high as $250,000 but in the past most loans were for less than $50,000.

The small business loans program is an important tool to encourage lenders to provide access to debt financing for high risk small businesses, including those which find themselves in one of the following situations: they wish to borrow a small amount or obtain a start up loan; the goods that they must provide as collateral are inadequate or insufficient; they wish to obtain funds to buy new technologies or specialized material; they are active in sectors which are generally considered more risky, such as tourism, retail sales or services; they are not located in urban centres, or they are in regions which are not major economic activity centres.

Clearly, the small business loans program is important to small businesses. Since 1961, when the act came into effect, over 420,000 loans amounting to more than $15.5 billion were extended to small businesses.

Given the importance of the loan program run under the act, it was a real concern when its annual deficit increased to the point where it might have exceeded $100 billion per year. Some measures had to be taken, and they were taken. Again, this shows how the program has constantly evolved, thanks to the Canadian government's ability to implement the necessary changes.

Two major changes were made to the program on April 1, 1995. An annual fee of 1.25 per cent is now collected from each lender, on the average outstanding balance of loans granted after March 31, 1995. The maximum yearly rate which a lender can set under the program was increased by 1.25 per cent, making it equivalent to the prime rate plus 3 per cent for floating rate loans, and equivalent to the residential mortgage rate plus 3 per cent for fixed rate loans. Thanks to these changes, which will be followed by those proposed in the bill before the House, the program will be completely self financing and can therefore be maintained.

• (1535)

Future access to the loan program by small businesses is now basically guaranteed, but the changes included in Bill C–99 are necessary to complete the process. The bill will make it possible to complete the transition to full cost recovery and to improve the mechanisms of the program relating to borrowers and institutions making small loans.

Among other things, the bill will accelerate the coming into force of the reduction from 90 per cent to 85 per cent in the amount of the state's loan guarantee under the act; authorize the making of regulations for setting processing fees; authorize the making of a regulation on the release of securities and personal guarantees accepted by lenders against repayment of small business loans under the act.

It will also serve to improve the situation of institutions making small loans, from the point of view of applications involving guarantees; to ensure that the small businesses loans program can be adapted more promptly to changes in the program and in the economy, by allowing readjustments in the proportions of the guarantee via regulation rather than legislation.

The government is clear in its intent to support small business, which it considers the motor of Canada's economic growth. It has been pointed out to the government on numerous occasions that the best way of helping business, whether small or big, was to control the deficit. The modifications to the Small Business Loans Act are obviously proposed with this in mind.

Thanks to the introduction of a mechanism for users' fees, this program will no longer add to the federal deficit. I would like to take this opportunity to again point out the particularly pleasing fact that transition to full cost recovery has received unanimous support from all interested parties consulted during the drafting of Bill C–99, lenders and borrowers alike.

Bill C–99 will be the end point in a process which will allow a program that is already a nationwide success to continue that success. The amendments will ensure that the Small Business Loans Act remains an important mechanism for implementing government policy in order to foster the growth of small

business across this great land of Canada. These amendments merit the full assent of the House of Commons.

• (1540)

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I listened to the member for Madawaska—Victoria's speech on Bill C–99 which of course was a Liberal point of view. It was just a reiteration of what she has been told to say by the government frontbench. The things she was saying do not seem to make a lot of sense to me.

The hon. member talked about how the government supports small business. Then she went on to say that the new user fee mechanism will no longer contribute to the deficit because the program is going to be on a full cost recovery basis. The reason the government was putting it on a full cost recovery basis was its concern and desire to try to balance the budget.

I agree with the government's desire to balance the budget but typically, here we are again; the government is going to do it on the backs of private enterprise. The Liberals are going to charge the businesses that borrow money under this act an excess premium on the interest rate. This money will be put into the government coffers and will be channelled through a bureaucratic system to reimburse the lenders that make the bad decisions and lend to small businesses that cannot under whatever circumstances repay the loan. If the Liberals are concerned about supporting small business, why are they doing that?

Some private sector businesses are going to reimburse the losses of other businesses. It will not cost the government one single nickel under this process, yet the hon. member says that the government supports small business. There are two contrary situations here. I would like to hear what the member has to say.

Mrs. Ringuette–Maltais: Mr. Speaker, I am pleased with the question put forward by the hon. member. Notice that the question is consistent with the third party policy of double talk. I have been here for the last two years and I have listened to the hon. member and his colleagues from the third party in this House talk about the fact that businesses in Atlantic Canada were receiving grants here, there and everywhere.

I am talking today about the federal government taking its responsibility toward the small and medium size businesses throughout this country. We are making sure that as responsible politicians, as a responsible government, we can provide the right environment and opportunities from coast to coast to coast for small businesses to create jobs, to look forward to competition and to make sure they can get ahead and increase exports. The member is saying that we do not know what we are doing.

On the one hand Reform Party members are saying to cut grants, cut everything, to even cut health care. Now they rise in this House to say it is not proper for us to make sure there is security for small businesses to have access to capital and on the same wavelength to have access to exporting their technology.

For nine years I have heard political questions in the New Brunswick legislature and in the House of Commons, but I have never heard double talk to this measure from an hon. member.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I congratulate the member for Madawaska—Victoria for her intervention today on behalf of small business. She has shown great leadership in the last two years for small business in her community.

No one in this House will ever forget the member for Madawaska—Victoria's very first intervention on this floor two years ago when she said: "We will be a government that is lean but not mean". Reform Party members obviously heard her say that but they do not understand where she was coming from.

• (1545)

Reformers forget about some of the great wins Canadians have experienced from Atlantic Canada in terms of business enterprise.

I want to talk specifically about a very small business which received a bit of help in 1979–80 from a Liberal government. I was there. It received about a $4.2 million grant.

Mr. Williams: Sounds like patronage to me.

Mr. Mills (Broadview—Greenwood): It was not patronage. I remember the principles of the country tended to be more Liberal than anything else.

It was the McCain organization. That very small business has grown to be one of the absolute jewels of industry not just in Canada but throughout the world. It has expanded its business not just in Canada but all around the world. It has created jobs and developed technology.

The Government of Canada got its $4 million back within the first year. Since 1980 we have probably received 100 times that amount in taxes and job creation.

Reform members really irk me from time to time. They talk about the importance of entrepreneurship. They talk about the importance of enterprise having a proper environment to get the job done. Most of them come from western Canada. Companies in western Canada receive the biggest grants of all, especially in the oil and gas sector. They are given grants which are buried in the tax act. Those tax grants are no different from direct cash grants.

I support the thrust of Reform Party members when they talk about cleaning up, simplifying and developing a fairer tax system. However, they cannot take a cheap shot at an act of Parliament that is trying to help small business without realizing they are giving tens of millions of dollars worth of grants to businesses in their ridings through the tax act.

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I thank my colleague for his remarks. Bill C–99 is obviously another example of the way our country is constantly changing. The government cannot create employment as such, but we have a responsibility to create a suitable environment for the development of small and medium size business in Canada, right across the country, from Atlantic to Pacific.

I consider the bill to be a responsible way to meet our obligations to the people of Canada, including the people of Quebec.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am pleased to speak on Bill C–99, an act to amend the Small Business Loans Act.

I believe it is the responsibility of governments to create an environment in which businesses can flourish. This is where most of our jobs will be created. On the history of job creation in Canada in the last year, 90 per cent of all new jobs have been created by small and medium size business. It is interesting to focus on this because this is small business week. Of these 200,000 jobs, one–quarter were created in the province of Quebec; 48,000 new jobs were created by small and medium size businesses.

• (1550)

I talked about creating an environment in which these businesses can flourish. There are two aspects that create a stable environment in which small and medium size businesses can flourish and be effective in their operations of creating new and challenging jobs for a new generation of Canadians.

These two areas are access to capital and access to stable markets. The area of access to capital deals pretty much with the meat of this bill. We have been told time and time again by some of our critics that we must make government more efficient, that we must find ways of cutting costs.

The bill recognizes the federal government was in the position of picking up bad debt losses created by lending practices, lending to some of these businesses which obviously failed.

There is nothing unusual about that. It is not a calamity. It is not a disaster. The loan loss rate within that program was somewhere between 2 per cent and 4 per cent. This is quite normal in the banking industry.

Basically the Small Business Loans Act attempts to create a federal government guarantee which encourages financial institutions to lend to small and medium size businesses.

Some may ask why these institutions do not do it without the guarantee. Most of these loans were for capital projects. Our financial institutions for a variety of reasons have become very much short term lenders. They lend on the strength of things like accounts receivable and inventory, things they believe they can quickly liquidate.

When a small business is setting up it needs manufacturing equipment, possibly delivery vehicles, whatever the case may be, equipment that has a long and useful life, but it also clearly takes a long time to pay off a loan based on the income flow from that.

Banks have not always been as active as perhaps they should. Small or medium size businesses, which are sometimes emerging businesses, also have instability to some degree in their financial records.

Quite often banks, being very conservative lenders, are looking for a long track record. Our emerging industries today do not necessarily have a long track record. Consequently they may have one or two–year financial statements and so forth but the banks are very cautious. They would rather lend to governments than to businesses.

It has been necessary for the government to recognize there are inequities within our capital markets and create a program that will attract financial institutions to lend to small businesses to get them established and create jobs.

It is no small miracle that the government can claim some responsibility for these 200,000 new jobs created in Canada in just the last year because at the same time we have witnessed the increase in the small business loans program. This program lent $500 million prior to 1993. That moved up to $2.5 billion in 1993–94 and to over $4 billion in 1994–95. That kind of tremendous growth shows the demand in the small business sector for this kind of lending.

• (1555)

If we take our loan loss provisions of 2.5 per cent roughly and move them through that increase in volume we will see it is possible the government could be facing loan losses of $100 million.

What has the government done? It has recognized what it should do, not unlike what any financial institution would do, and build that cost into the lending provisions. Essentially it has created a fund as part of the application fee, a new 1.5 per cent fee added to the cost of borrowing this money and then it is spread out over the term of the loan in order to provide for as much as $100 million of loan losses.

All banks do this. All financial institutions carry on this way. It is not unusual. I am surprised the third party takes some exception to this. Small business people understand it. We realize even when we go to our local supermarkets to buy consumer goods that within the cost of purchasing are things like theft. There are other provisions for products that go bad and so on. That is the normal course of business.

I commend the government for getting its economic house in order by recognizing, as small business people do, that it cannot be responsible for all small business ills. The government has created a situation in which small business can get access to capital. That is really the whole point of the Small Business Loans Act, to provide access.

I served on the industry committee which produced the report "Taking Care of Small Business". Over and over we heard from small and medium size businesses that their major concern and problem was access to capital, not so much the cost of the capital but the access.

In some of the provisions we talk about increasing the lending interest rate from prime plus one to prime plus three. Emerging businesses do not like to pay more interest than they have to but realize that a 1 per cent or 1.5 per cent increase in interest rates is still well worth it to them to get this seed money to get themselves established.

When I talk about access to capital it is interesting also to note capital markets. What has happened with our debt and deficit situation is many governments are competing in the marketplace with small and medium size businesses for capital. This is why we have to get our debt and deficit under control and why I am happy the government is very much on that course and on a target to effect that.

In Quebec a referendum is due next week. Quebec borrows something over $70 billion. That is the size of its debt right now. Interestingly, 54 per cent of it is financed outside of Canada. It seems odd that we are going through the process of a referendum in Quebec which costs $66 million, as stated in *La Presse* recently. By extrapolation almost $35 million of the cost of the referendum will have to be borrowed from people outside of Canada to ask the people of Quebec whether they want to be an independent country. It seems ludicrous.

That is the problem of the capital markets. I would like to address the issue of markets. Clearly, the small business man or woman is not just looking for capital for machinery. He or she needs a market to serve.

• (1600)

There has been much talk about the globalization of our economy and the need to have easy access to markets. Indeed, agreements like the North America Free Trade Agreement and the GATT address that cause.

A recent study by the OECD on the whole aspect of small and medium size business is very interesting. The European Union and other members of the OECD are very interested because all these countries recognize that small and medium size businesses are going to be the employers of the future. A recent report, I believe from October 1995 said: "Sudden national economic growth will be enhanced if government policies are co–ordinated and targeted so that they strengthen and reinforce regional and local systems. This should improve the conditions that encourage new and small firms".

While we are talking about these markets, once again we are talking about a debate that is going on in the province of Quebec that would basically balkanize those markets. It would create barriers to markets, would make the markets much smaller for these 48,000 people who are employed in small business in Quebec, because a nation defines its markets within its political boundaries and operates within those political boundaries to its own best interests.

I am trying to say that the bill is very much a necessity and should be supported. More important, some of the debates that are going on within our country today are simply ludicrous. I am talking specifically about the referendum in Quebec. It will create more barriers for small and medium size businesses. The ability to create new and challenging jobs within Quebec and to some extent in the rest of Canada is going to be adversely affected by that process.

In conclusion, I would like to say that I am very supportive of the bill. I am certain that the small business community is also very supportive, understanding, and respectful that the government has taken the initiative to continue this program to increase the volume that is available to small businesses. I am sure we will see creation of more new jobs within our economy in the near future because of it.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to compliment the member for Durham on his remarks. I especially want to thank the member for Durham for all his work in committee during the last two years since his coming to the Parliament of Canada.

One reason we have had such success and why I believe small business is heading in the right direction is because our team of Reform Party members, the Bloc, and Liberals all worked together on the committee to try to make sure we had a fist when we went to the banks and other financial institutions as we were pleading for help in accessing capital for small businesses.

My question for the member has to do with start–up. In his experience as an accountant helping small businesses deal with banks, does he not think that one area we are going to have to do a lot more work on is making sure that the attitude and culture of bank mangers changes dramatically toward people who are starting businesses versus people who have been in business for a long time?

• (1605)

With all of the downsizing going on in both large businesses and governments right now, we have many people who are starting a business for the very first time. In order to really achieve success they are going to need help from financial institutions in this country. I believe that banks are going to have to change their attitudes dramatically for start–ups.

I wonder if the member for Durham, who is also an accomplished accountant in his field, could comment on that.

Mr. Shepherd: Mr. Speaker, I would like to thank the member for Broadview—Greenwood. I have always been interested in what he says. We do not always agree 100 per cent of the time, but basically our orientations are in the right area, which is to increase capital for small and medium size businesses.

The member is absolutely right. Banks in this country have forgotten just what they were doing. Banks originally started off many centuries ago investing in ideas. They invested in people's grey matter. They invested in their ideas about making life better and increasing people's standards of living. I have noticed that banks now invest in financial transactions. Our banks in North America are very oriented toward paper currency transactions. Indeed, I think if we were to study the balance sheets of most of our banks we would see a high percentage of their assets being held in government securities, et cetera. This has become a linkage in the global environment.

The reality is that these debts and financial instruments do not do anything. They do not create any more jobs. They do not create or take a piece of technological science and turn it into something useful.

What do we see in North America? We see people like Bill Gates, who had to work out of his garage to get his ideas going. People have to go and find others who will give $50 to buy so many shares and maybe later on some of that will come back. The banks say that sounds pretty wild.

I have a specific example of this in my own riding. I had the pleasure only last week of congratulating an entrepreneur for winning the Canadian woman entrepreneur of the year award in the area of export. This woman many years ago was my client. She was making strips of fur and putting them on strings. I must admit that even to me it sounded ridiculous at the time. What she did with that was to create a reversible fur coat. I went to various banks for her, and they said: "What are you going to give us as security, strips of fur? Get out of here." Do you know who finally picked up this account? It was a bank from England, not a Canadian bank.

That woman today employs hundreds of people. It is a small business in my riding that has given jobs in basically a rural area. Her product is shipped all over the world, mainly to Japan and Southeast Asia. She is creating jobs and hard currency exchange for our government and our country without the support of banks.

Yes, the member is absolutely right. This whole attitude in our banking system has to change. We have to get on board and support our small and medium business sector.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I have one simple question I have asked of other members. It is on the full cost recovery being put forward by this particular legislation.

The hon. member for Broadview—Greenwood talked about the fact that small businesses needed the impetus available under the Small Business Loans Act. But here they are being asked to pay for something they think they are getting from the government. Small business people who borrow under the Small Business Loans Act are being asked to pay for absolutely everything, every benefit that is being provided under the Small Business Loans Act, which seems to me a big circle of laundering the money through the government. I would like the member's response as to what benefit this will really provide to people who are borrowing under the Small Business Loans Act.

• (1610)

Mr. Shepherd: Mr. Speaker, the member for St. Albert keeps going over this. Repetition is a great educator, so hopefully he will listen a little bit more this time.

First of all, there is nothing terribly unusual. This program has been set up in the best interests of small and medium size businesses.

Let us look at the other side of it. What will we do if in fact the government did not try to recover this bad debt loss? What does it mean? Does it mean that we do not have a program, period? We know it has been very successful. We know that using this system has assisted many and has probably created thousands and thousands of jobs in Canada.

Maybe the member wants the government to fork out $100 million a year in loan losses. Is it the responsibility of Reform Party members to tell the Government of Canada to cut spending, get its act together, and if it wants to give away $100 million on loan losses that is fine by them?

There is nothing unusual about cost recovery programs. They happen in the business world every day. Here we have the government acting like a business, creating opportunities for small business but at no cost to the taxpayer.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, this latest exchange between the member for Durham and the member for St. Albert reminds me of the similarity between a computer and an accountant: We have to punch the information into both of them.

Given that the banks these days have the reputation of giving you an umbrella on a sunny day and taking it away on a rainy day, and given that banks today have the reputation of tightening up their credit, I would like the member for Durham to tell us how this will force banks to increase their loan portfolio to small businesses.

Mr. Shepherd: I thank the hon. member very much for the question.

First, the whole concept of a guarantee creates the opportunity for the bank to lend money that clearly it would not lend on its own accord. I note in the legislation that in fact we have actually lowered the loan guarantee from 90 per cent to 85 per cent. If we simply look at the growth and the volume within the small business loans program in the last three years, there is no question that there has been a demand, and a demand that has been satiated, if you will, by financial institutions.

Clearly, the program is on a success course and it continues to be on a success course. In fact it was the government's orientation to say this was very successful and we want it to expand, we want it to grow more, we want to make sure there is more money available for small and medium size businesses. At the same time, we also want to make sure we are not going to be on the hook for it.

One of the complaints of this program has been that a lot of the money was getting out to businesses that could have possibly financed loans without the Small Business Loans Act; in other words, possibly banks were misusing the program or possibly larger companies were getting the benefits of the program and they did not really need it. By lowering the guarantee aspect of this loan, we will also be ensuring that we direct it at the very new and emerging small and medium size businesses.

• (1615)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am particularly pleased to have the opportunity to say a few words in the debate pertaining to small business.

It is not all that often we get a chance to talk about small business in the House, and we really should. With the indulgence of the Chair and with the indulgence of colleagues present I hope to stray a little from the direct confines of the bill. I know it is most unusual in the House to stray away from the subject matter at hand. I hope to talk about small business in general, to talk about how important small business and entrepreneurship are to our country, and to provide a few words of encouragement for small businesses out there that are struggling today.

Can we imagine what it must be like for an entrepreneur in Quebec even as we speak? We have a situation of systemically high unemployment in Quebec. It has been that way for years, ever since the last separation crisis in 1980 when the people of Quebec chose to elect a separatist government. All that did was give U–Haul one–way traffic to Toronto a bonanza. Ever since the election of the first Parti Quebecois separatist government in Quebec, what has happened? Toronto has prospered largely at the expense of the self–inflicted wounds of the people of Quebec.

All the country has profited because the separatist government in Quebec insists on shooting itself in the foot with separation every 15 years or so. I am sure that is what is ongoing in the province of Quebec.

If the people of Quebec want to do something really worthwhile for their futures, they will resoundingly reject the separatist option. They will resoundingly reject any notion of getting out of the country and will work together to make the country stronger. If they do that it will get entrepreneurs investing in small businesses in Quebec.

It is about the willingness of people. It is not banks or governments that get businesses going. It is individual people who are prepared to put up everything they have in the world, including their homes and borrowing money from their friends and their families, because they have a dream or an idea to see through to fruition. We should be celebrating the fact that we have these people. These are the people we should be asking in Quebec, because there is systemically high unemployment, how we can go about reversing it.

Let us provide stability. Let us make sure that when people start businesses, particularly in Quebec, they do not have to go through never ending navel gazing, gnashing and worrying about tribalism and nationalism in Quebec. Why would anybody put up with that if they could invest their money in a jurisdiction that does not have such problems?

We have these wonderful people who have invested of themselves. They have put their hopes, dreams and aspirations on the line. What happens when they go into a bank? I can speak from personal experience because I have gone through it, as have other members of the House, many people watching on television today and perhaps a few others who might read the debate.

It is not like going into K–Mart or some other store where they shake hands and say: "We are glad to see you. What can we do for you?" The first thing they say is: "Are you going to do that? We already have a few of these. Didn't you know that somebody just went broke doing this a while ago? If you are to do this, if you are to set up this service, if you are do that, you had better make sure that you can guarantee the borrowing of $1,000 with $2,000".

Instead of the entrepreneur being encouraged, the first remark that comes through is: "We have to protect our depositors' money. Therefore we have to make sure that we do not take any risk at all because you want to borrow $75,000 or $100,000". That is what got the Government of Canada into small business loans in the first place. We ended up as a nation guaranteeing loans that rightly should have been the purview of the banks.

• (1620)

The banks have a licence to print money in Canada. When is the last time we saw a small, humble bank building? In every city in Canada the four pillars on the four corners of shiny office buildings are bank buildings. That is the way it is. Meanwhile the people of Canada through the tax base are subsidizing the banks. That is what this is all about.

When they went into banks to get loans, the loan officers said that they could not have them because they did not have enough money. The banks had their houses, first born, bicycles and cars. The banks had everything they had in the world but they still did not have enough money for them to feel safe and secure about lending money. If they can lend money to another country and write it off that is okay, but they did not have anything for the small business person, the entrepreneur, the dreamer.

What happens then? The government has to step in and through the Small Business Loans Act guarantee the bank about 95 per cent of the loan at a rate of about 1.5 per cent above prime. Generally speaking any other business paid prime plus two, so there was an obvious magnetic pull to write all small business loan transactions that could possibly be written by the banks and have them guaranteed by the people of Canada, which did not make any sense at all.

The previous legislation raised it so at least the interest rate charged was on par or a little more than the interest rate charged to people who did not have a government guarantee. The amount that would be guaranteed by the government was to be reduced somewhat as well.

As earlier speakers have said, the problem with financing small businesses is not how much people have to pay for the money, within reason. The problem is how to go about getting money in the first place. No matter how good the business plan, if the business person does not have a track record, does not have money and cannot guarantee at least 200 per cent, the chances of getting the loan are somewhat remote. This is why the Government of Canada and the people of Canada, through the Small Business Loans Act, are in the business of protecting the banks. The banks will not do it unless we hold them harmless through the Small Business Loans Act.

In a perfect world we should not be in this business at all. That is what banks should be doing. However we are not in a perfect world. We need to ensure we nurture and help small business people or entrepreneurs. That is why the legislation is so worthwhile and necessary.

However our job as members of Her Majesty's Loyal Opposition is to oppose bills not just because we want to oppose them but because we in opposition in Parliament can cause the government to rethink some aspects of its bills and make them better. If all we did every time the government brought forward a bill was to say it was great, roll over and not pay any attention, we would not be fulfilling our function as opposition in the Parliament of Canada.

While it is basically a very good bill it has a flaw I would like to point out to members opposite. I hope the government sees the error of its ways and changes it. The amount of money involved in a guarantee could be changed by order in council. It would not have to come back to the House to be debated. That sets a fairly bad precedent. We are talking about the financial responsibility of the Government of Canada and a change to the financial responsibility of the Government of Canada. These decisions should not be decided in a backroom somewhere, even if the backroom has a cabinet table. They absolutely must see the light of day. They must have sunshine, that being the best disinfectant of all. These decisions should come back to the House. In a majority situation it is not likely they will be changed anyway. The government will have its day no matter what the opposition might have to say about it. The bill would be improved somewhat if the provision in it, which allows the government by order in council to change the ratios, was amended so that it had to come back to the House.

• (1625)

I should like to spend a few minutes talking about small business people and where we are going a bit off the rails. The people of Canada who are prepared to give of themselves as entrepreneurs to create wealth and employment across the country are very often at great risk to themselves and to the capital they have built up. They should in some way be honoured. It seems passing strange that the people most revered and honoured in society are hockey players, for instance, who might earn a couple of million dollars a year playing hockey but have never created a job or actually put their lives on the line.

Some accounting firms and chambers of commerce are beginning to recognize that as a nation we need to applaud and encourage entrepreneurship and innovation. To be an entrepreneur or an innovator who creates wealth is a necessary and fundamentally important function any citizen can provide.

I recall attending a meeting sponsored by the Edmonton Chamber of Commerce. The person who appeared at the meeting came from a small town in Colorado. He had won a prestigious international award. His company had gone from nothing to worldwide sales of approximately $500 million a year. His company manufactured tapes used on computers to back up the

memory. They cannot make mistakes with these tapes; they have to be highly precise.

The town in Colorado had an IBM manufacturing facility. IBM wanted to move it to Florida or some such place. Many key people in the business did not want to leave their town because of the life they could lead there; they loved living there. Rather than moving they left the company. They thought to themselves that they were smart, innovative people and wondered what they could do. They decided they would make the world's best recording device, magnetic tapes for computers. They did it by innovation.

He drew to our attention that the town had since become the hub of innovation and entrepreneurship. The people in that town have a week in which to celebrate the leadership derived from small business people. The innovators and entrepreneurs are part of the social fabric of the town. They have star status because the people understand the value of entrepreneurship and innovation.

All across the land thousands of men and women, young and old, have put everything they own on the line with the bank to support their small businesses. They are truly the stars of our economic system. They are the people we should be celebrating, not the big business people who have grants, handouts and loans from the government. It just makes one sick. The bigger the business is, the bigger the hand is into the banking system and into the government system. This is what we must put a stop to. It is wrong to have our priorities so misplaced that we do not recognize what small business people and entrepreneurs contribute to our society when all we can look at are the big mega stars.

• (1630)

Mr. Speaker, I thank you and my colleagues for the opportunity to make the case for small business in our country. I applaud anything we can do to build and strengthen that sector of our economy.

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I took note especially of the part of the hon. member's speech which dealt with the question that has been on the minds of most Canadians over the past few months. It is the question of Quebec separation and its impact on the small business community in Quebec. I thank the hon. member for his comments on that. They made a lot of sense.

The fact remains that in an independent Quebec it would be a lot more difficult for small business people. Certainly the surveys that have been conducted throughout the referendum bring this to light.

In a survey that was conducted by the Canadian Chamber of Commerce of people who create the jobs in Quebec, the small business people, almost two–thirds, 64 per cent, of Quebec businesses believe that Quebec's economic prosperity would be diminished under separation. A strong majority, 55 per cent, believe that the business relations and trade with the rest of Canada would worsen under separation. More than a majority, 53 per cent, of Quebec businesses believe that their benefits and profitability would diminish if Quebec voted yes.

In another public opinion survey almost all the respondents, 93 per cent, expect long and difficult negotiations with the rest of Canada in the event of a yes vote. More than four out of five people, 83 per cent, think that Quebec's separation from Canada would have a negative impact on Quebec's economic development.

There is another survey of small business owners. Almost two–thirds of the small business owners in this survey chose Canada. They felt that the best route, the best way for their own economic prosperity would be through staying in Canada.

I think back to my own experience in a rural part of our country. I know the hon. member is from a big city and talked about the banks in the big city. In terms of small business people in rural Canada, obviously farming and farmers are a critical component to the small businesses in rural Canada and rural Quebec also. The whole question of supply management and where that goes in a separate Quebec is a major question.

These people should not be fooled. We brought in supply management a number of years ago with the support of Quebec farmers who were a major part in getting that. The whole concept behind supply management is that we are able to protect the local market, our current market under GATT and international rules. If Quebec becomes a separate country that will not be the case. They will not be able to protect that market.

Today in the industrial milk area Quebec holds about 47 per cent of the Canadian market. It is a very important aspect of it. The hon. member knows that. It would be folly to say to Quebec dairy and supply managed farmers that they would be any better off in a separate Quebec. In fact the whole nature of it would fall down. Granted, it would not only hurt Quebec dairy farmers, it would also hurt Canadians.

I ask the hon. member if he is aware of these statistics and these polls. Is he aware of the fact that the majority of Quebec's small business people feel that they would be much better off in Canada?

• (1635)

Mr. McClelland: Mr. Speaker, the member opposite raises a valid point. As a matter of fact even as we speak the tariff on milk is 350 per cent.

It just absolutely boggles the mind how members of the yes group are able to go through Quebec like Johnny Appleseed spreading these little bits of misinformation all over the place. This debate is on a level that has no intellectual veracity or honesty in it whatsoever. The debate is purely cosmetic. People who scratch below the surface of the debate will understand very quickly just how devastating the result of a yes vote will be to the people of Quebec. It will hurt everybody in Canada, but it will hurt the people in Quebec far more.

The tragedy is that nothing the Quebec nationalists want to achieve can be achieved outside of Canada that cannot be achieved within Canada. In my view, the very protection of the language and culture they profess to be so concerned about is better protected within Canada. Anyone can bet that on a wide open North American market the French of Quebec will very soon be like the French of Louisiana. They just will not have the bulwark of Canada to protect them.

Lest anyone in Quebec who is watching this thinks that my words are hollow and empty, they should be aware of trade by Quebec with the rest of the country. The hon. member's question has given me the opportunity to put this on record. Lest anyone thinks that a free ride will be achieved by the people of Quebec in terms of their economic future, they should keep in mind that in 1989, the last year for which accurate figures are available, interprovincial trade in Quebec had a balance per year of $1.8 billion dollars in favour of Quebec. If they think that would happen after a yes victory, they can think again. The bulk of that was in protected industries.

That brings us to the free trade agreement, internal trade barriers and how ludicrous it was for us to get involved and the hypocrisy of government members opposite supporting the free trade agreement now when they did not in opposition. I supported it wholeheartedly as a private business person. I certainly did not support the method by which the Conservative government took us down the road to free trade. This is apropos in my view to what is likely going to happen to the people of Quebec if they were to be irrational and vote yes.

We went into the free trade agreement and got clobbered as a country. We did so because we went into the agreement with the highest interest rates we had historically, the highest dollar we had historically and industries across the country which had been protected by tariff barriers for many years. Our industries were not competitive with those in the United States. Is it any wonder we got clobbered. Imagine the Monty Python movie "In Search of the Holy Grail". We were the knight at the bridge and when we finished we had the knife in our teeth and no arms or legs. All we could say was: "Fight fair".

I saw our chief negotiator, Simon Reisman, on the Sparks Street Mall the other day. I wanted to ask him: "Did you not think about this?" I have really wondered about this. Surely the government of the day must have been aware of the situation we were getting ourselves into. Maybe it was not, but it certainly should have been.

If that happened to us as a country, what is going to happen to Quebec as a country in a free trade arrangement with Canada and the United States? Will Quebec have a high dollar? Probably not. Will it have high interest rates? Very likely. Will Quebec have industries that are capable of competing efficiently in the North American market? Probably not. Are they going to have an easy ride of it? Probably not.

• (1640)

It would seem to me to be very prudent for those people in Quebec who are wondering whether or not they should vote yes or no, if they choose to vote yes, the one thing they can be absolutely assured of is they will be paying a financial premium for many years for voting yes. They will have many years to think about it because it is not something that will cure itself overnight.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, the comments made by the hon. member for Edmonton—South West come very close to being a threat, when he says that Quebec better not think that the day after a Yes vote it will be just as easy to negotiate from province to province, and so forth, but in a way that is distinctly ominous.

However, I agreed with what he said when he commended the business community on its initiative, courage, determination and vision of the future. The Bloc Quebecois and, in fact, all Quebecers could not agree more. These people are driving 85 per cent of our economy, at present.

However, I fail to understand why, in the same breath, he attacks the people of Quebec who had the initiative, the courage and the vision to choose a country for themselves. That he does not like.

So I want to ask the hon. member this: When he says Quebec had better not think it will be easier, should we take this as a threat or simply as the way people talk who cannot tolerate the fact that others decide to simply make a decision?

[*English*]

Mr. McClelland: Mr. Speaker, it is certainly not a threat. It is a statement of the reality of the situation that faces all of Canada, but will face the people of Quebec to a greater degree for a longer period of time than it will everybody else. It is not a threat. It is a statement of the obvious. It is a statement of fact.

In the democratic process people are elected and there is a fiduciary trust responsibility we are prepared to accept the moment we stand for election. That is in everything we do, we will do it not for the betterment or enrichment of ourselves or for self–aggrandizement but we will work for the people who have entrusted their lives to us as their members of Parliament, their elected representatives.

When a person is elected to high office, which is a member of Parliament, there is a trust responsibility to do the very best one can in the interests of the people being served. It then follows that it should be to protect their economic, cultural and ideological interests. It should not be to take them down a treacherous path when they are standing above a precipice. That is not the fiduciary trust responsibility of a person elected to high public office in Quebec or anywhere else in Canada.

[*Translation*]

The Deputy Speaker: Before we continue the debate, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Regina—Lumsden—pharmaceutical products; the hon. member for Davenport—the environment.

[*English*]

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, I welcome the opportunity to speak on the subject of Bill C–99, the act to amend the Small Business Loans Act.

• (1645)

I will make some comments a little later on entrepreneurs because they are really the heroes of Canada. I echo the comments made by an earlier speaker that entrepreneurs are really the basis of what makes up the country. We need to create the climate to encourage entrepreneurship.

My colleagues have spoken at length about the specifics of this bill but I will talk about how the amendments to the Small Business Loans Act fit into the federal government's plan to create a climate for business growth in Canada.

It is often said a business plan is only as good as the economic foundations on which it is built. The federal government has targeted the national debt as the number one impediment to business growth. That is why last February the Minister of Finance introduced a budget that will cut $29 billion over the next three years, the largest set of budget cuts since Canada demobilized after the second world war.

We also undertook at the same time a thorough review of federal government administration and spending in the non–social program area. The objectives were to get government right, to ensure taxpayers were getting value for money and to encourage Canadians toward building a more innovative economy.

The result of this has been a major change in our approach to sector development in industry and in the role and function of the industry department. It is obvious old style industrial development strategies are no longer workable. Some might argue they never were, but our goal as a government is not to affix blame for the past but to set a course for the future.

The challenges for government, for Industry Canada in particular, are to help small business compete and to promote a business environment that will lead to job creation, a competitive economy that is a thriving economy, one that will take Canada to its rightful place in the global economy.

Small and medium size businesses are leading the way in terms of innovation and job creation, there is no question. I meet with constituents regularly, small business people and entrepreneurs who come to the constituency office and share their ideas and their enthusiasm to create employment and make Canada a better place to live.

During the 1980s in Canada small and medium size businesses were responsible for 87 per cent of all new jobs created. Since the last recession they have accounted for over 90 per cent of the net new jobs created. On average about 300,000 firms or self–employed entrepreneurs have started a business every year for the past 10 years. SMEs account for almost two–thirds of the private sector employment.

The main thrust of government support in industry must be small business, I think we are all in agreement in the House. Small business has a major role to play in reducing unemployment. Despite the fact that small business is clearly the way of the future in Canada, there are still too many impediments to SMEs truly coming into their own. One of our priorities is to reduce or eliminate those impediments wherever possible.

A fundamental impediment is the access to adequate financing. The banks explained to us on the industry committee the improvements they are making in this area. Entrepreneurs and small business owners stated the difficulties they are having accessing capital. It is crucial for us to deal with this issue. The availability of capital has been a source of frustration, no question.

SBLA loans have played an integral part in helping small businesses gain access to capital needed for start–ups, expansion and growth. The program's success both as an economic development tool and as an example of public sector–private sector co–operation has inspired similar government programs at both the federal and provincial levels.

Since 1961 more than 420,000 SBLA loans, totalling over $15.5 billion, have been made to small business. Virtually every small business in Canada is now eligible to borrow under the SBLA program providing that its annual gross revenues do not exceed $5 million. We are targeting the small business sector.

• (1650)

In recent years the SBLA program has been running at an annual government cost of $20 million to $30 million. However, following a significant program change effective April 1, 1993 the annual lending activity increased from $500 million to $2.5 billion in 1993–94 and to over $4 billion in 1994–95.

Assuming a continuation of the historical loss rate, this meant the annual program costs would increase by over $100 million. Clearly this was a threat to the sustainability of the program.

The potential cost of the program and the government's overall need for deficit control required that the program be brought to full cost recovery. With respect to full cost recovery, it is interesting to note that the users of this program both on the small business side and the lenders side, the parties that have been consulted, support the move to cost recovery.

Through the consultation period the government has asked for input on the changes to the program and it is reflected in what we are seeing here today.

Recommendations of the industry committee and the small business working committee were also taken into account. All stakeholders supported the move to full cost recovery. Two major changes were made through regulatory amendments with an effective implementation date of April 1, 1995.

First, a new 1.25 per cent annual administration fee is being charged on each lender's average outstanding balance of SBLA loans made after March 31, 1995. Second, the maximum interest rate that a lender can charge under the program has been increased by 1.25 per cent to prime plus 3 per cent for floating rate loans and to the residential mortgage rate plus 3 per cent for fixed rate loans.

To complete the move to full cost recovery and improve the administration of the program, other changes are now being made by Bill C–99. These proposed changes will allow the release of security, including personal guarantees, improve the government guarantee coverage for small lenders, and provide for the introduction of a government processing fee on lenders' claims.

To add flexibility to the program and permit the easier fine tuning, parliamentary approval is being sought so that future changes to the level of government guarantee can be implemented through the regulatory rather than the legislative process.

It was stated earlier that the one change the third party would recommend is an amendment to this part of the bill. In the consultations I have had with small business, one of the criticisms it has had of government policy is that government is often unable to react quickly when a situation changes.

Business groups have often asked for greater flexibility to deal with these issues. It is exactly that which this part of the bill is reacting to, adding the flexibility to the program and permitting the easier fine tuning.

These changes also mean that the SBLA will be better targeted toward small businesses that really need its help. An estimated 30 per cent to 40 per cent of SBLA loans go to businesses able to access normal commercial financing.

After the changes financially strong businesses will switch to lower cost commercial financing. During the consultations small businesses told us repeatedly that the primary issue is access to capital and not the cost of financing.

When I meet with entrepreneurs in my community, as we all do as members of Parliament, they are looking for the opportunity, the chance to make their idea work. They appeared before the industry committee. They have met with their members of Parliament. The message is getting through. By making this change we will be targeting the SBLA program at start–up companies and companies in the expansion mode that need capital.

• (1655)

During the consultations small businesses told us that making the SBLA self–sustaining will ensure continued access. We agree with that.

We have been told repeatedly, I am sure the third party would agree, that the best thing government can do for business, large and small, is to get the deficit under control. The proposed changes to the SBLA are a step in that direction. The proposed changes will ensure it remains an effective and viable instrument of support for small business in Canada. It will certainly remain an integral element of our comprehensive plan to create a business climate which will enable Canadian small business to grow and create jobs in the global economy.

The objective of the bill is to continue the process of the modernization and improvement of small business. The proposed changes relieve Canadian taxpayers of the financial burden of the program. We have been asked to do that.

Small business created 90 per cent of new jobs in 1994. The government has placed support for small business at the top of its agenda for jobs and growth.

It is crucial that we continue to bring forward bills which will help to create a climate that will encourage entrepreneurs to continue to dream and create their own companies. They will help Canada by creating employment. That is the thrust of the bill. We must convince the banks that small business people and entrepreneurs are the cornerstone of our economy; they are our future.

This and the other bills the government has brought forward are the end result of the consultation process. We have gone to the stakeholders and we have asked for their input. They have given us direction. This bill reflects that direction. It is also the result of what we have been doing in the standing committee.

We are moving in the right direction as we continue to improve access to capital for small business and encourage entrepreneurs to go forward and do what they do best, create their own small businesses, improve the economic climate and encourage other individuals to do the same. I ask all members of the House to support the bill.

* * *

[*Translation*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

The House resumed, from October 24, consideration of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

The Deputy Speaker: It being five o'clock, the House will now proceed to the taking of the deferred division at third reading of Bill C–93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

Call in the members.

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

(*Division No. 355*)

YEAS

Members

Adams
Allmand
Arseneault
Augustine
Barnes
Bélair
Bellemare
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Clancy
Collenette
Comuzzi
Crawford
Dhaliwal
Dromisky
Dumas
Eggleton
Fewchuk
Fontana
Gaffney
Gauthier
Goodale
Grose
Hickey
Hubbard
Iftody
Keyes
Kirkby
Kraft Sloan
Lastewka
Lavigne (Beauharnois—Salaberry)
Lee
Loney
MacLellan (Cape/Cap–Breton—The Sydneys)
Maloney
McCormick
Alcock
Anderson
Assadourian
Axworthy (Winnipeg South Centre/Sud–Centre)
Beaumier
Bélanger
Bethel
Bodnar
Boudria
Brushett
Caccia
Campbell
Catterall
Chan
Cohen
Collins
Cowling
DeVillers
Dingwall
Duhamel
Easter
English
Flis
Fry
Gagliano
Godfrey
Gray (Windsor West/Ouest)
Guarnieri
Hopkins
Ianno
Jackson
Kilger (Stormont—Dundas)
Knutson
Landry
Laurin
LeBlanc (Cape/Cap–Breton Highlands—Canso)
Leroux (Shefford)
MacAulay
Malhi
Manley
McKinnon
McLellan (Edmonton Northwest/Nord–Ouest)
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Nault
O'Brien
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Reed
Rideout
Rock
Shepherd
Simmons
St–Laurent
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Valeri
Walker
Wayne
Wood
McTeague
Milliken
Minna
Murray
Nunziata
Pagtakhan
Payne
Peters
Phinney
Pickard (Essex—Kent)
Proud
Richardson
Ringuette–Maltais
Scott (Fredericton—York—Sunbury)
Sheridan
Speller
St. Denis
Stewart (Brant)
Szabo
Terrana
Ur
Venne
Wappel
Wells
Zed—132

NAYS

Members

Abbott
Benoit
Breitkreuz (Yellowhead)
Bridgman
Chatters
Duncan
Forseth
Gouk
Grubel
Harper (Calgary West/Ouest)
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Mayfield
Mills (Red Deer)
Penson
Ringma
Stinson
Williams —39
Althouse
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud–Est)
Cummins
Epp
Frazer
Grey (Beaver River)
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
McClelland (Edmonton Southwest/Sud–Ouest)
Morrison
Ramsay
Solomon
Thompson

PAIRED MEMBERS

Asselin
Bélisle
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Canuel
Cauchon
Collenette
Crête
Daviault
Deshaies
Dubé
Dupuy
Finlay
Gagnon (Québec)
Godin
Guay
Harper (Churchill)
Jordan
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Bachand
Bellehumeur
Bernier (Gaspé)
Bertrand
Brien
Caron
Chrétien (Frontenac)
Copps
Dalphond–Guiral
Debien
Discepola
Duceppe
Fillion
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Graham
Harb
Harvard
Lalonde
Lavigne (Verdun—Saint–Paul)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln

Loubier	MacDonald
Maclaren	Maheu
Marchand	Massé
McGuire	Ménard
Mercier	Mitchell
Murphy	Ouellet
Paradis	Patry
Regan	Robillard
Sauvageau	Skoke
Thalheimer	Tobin
Vanclief	Verran
Whelan	Young

The Deputy Speaker: I declare the motion carried.

(Motion agreed to, bill read the third time and passed.)

The Deputy Speaker: It being 5:30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

GRANDPARENTS DAY

Mr. Sarkis Assadourian (Don Valley North, Lib.) moved:

That, in the opinion of this House, the government should consider designating the second Sunday in September of each year as grandparents day in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

He said: Mr. Speaker, it is an honour for me today to speak on Motion No. 273. This motion flows from Bill C–274, a private member's bill I introduced on September 27, 1994, an act respecting a national grandparents day in Canada.

I am pleased to have the support of my own party and that of the opposition parties with regard to this very important issue. It is important that the House recognize the contribution of grandparents and the critical role they play in strengthening the family.

Grandparents have always been important to society. One step removed from the parenting process, they can share with their children the experience and wisdom they have gained. They provide a link to the treasures of family history and can provide an objective second opinion on a wide variety of important issues facing the family today.

Many of my fellow members have addressed this issue and have gone on record as supporting the creation of a national grandparents day. In so doing, many have expressed personal memories of their grandparents and the role played by these most important relatives. Thoughtful, caring and loving, these role models cannot be underestimated in their importance in the development of young people who themselves will most likely be parents someday.

Grandparents have always been important to the vitality of the extended family but never more so than in today's society. With the increase in family breakdowns the relationship between grandparents and grandchildren has taken on even greater importance.

As we see more and more single parent families, the need for additional support and nurturing becomes more important today than ever. By officially recognizing the role grandparents play we emphasize the importance of this role in society and honour those grandparents who rise to the challenge and continue to provide love, that most important of commodities, to the most vulnerable victims, the children.

If this motion is adopted, as I hope it will be, grandparents day would give national recognition to the growing number of grandparents in Canada. Many provinces and municipalities have already recognized that grandparents contribute greatly to the family and that they are the basic and fundamental element of our society. It is time the federal government and the House recognized this fact as well.

Often when a family breakdown occurs one parent assumes custody and the children no longer have the opportunity to visit with both sets of grandparents. While this motion does not address this issue directly, it is my hope that the official recognition of grandparents day will provide a focal point to the very important issue of grandparents' rights. If a society acknowledges the importance of grandparents, a certain amount of moral force will come with that recognition. Hopefully, parents in a broken family will realize the importance of the contribution that both sets of grandparents make to the nurturing and well–being of their grandchildren.

We need to express recognition of those elements within our society that are fundamental building blocks of healthy, productive individuals. Other than that of parenting itself, I can think of no more important role than that of a grandparent in fulfilling that responsibility.

As members make their decision whether or not to support Motion No. 273, I ask them to consider the comments of fellow members who are speaking in support of the motion. I am sure their comments will lend force to the argument to officially recognize the contributions grandparents make in the lives of their grandchildren and to society in general.

In closing, I ask members for their support of this very worthwhile effort to create the much needed recognition of the role that grandparents have made in all of our lives. I urge my fellow members to support Motion No. 273 and allow grandparents of the country to celebrate the second Sunday in September every year as national grandparents day.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I rise in this House to speak in support of Motion M–273 put forward by my colleague, the hon. member for Don

Valley North, to designate the second Sunday in September of each year as "Grandparent's Day" in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

As the official opposition's critic for seniors organizations, I have always supported similar initiatives to designate a national grandparents' day, because seniors' organizations across the country, and in my riding of Argenteuil—Papineau in particular, are in favour of this kind of acknowledgement.

Grandparents play a crucial role for their grandchildren, providing a degree of stability and continuity that is so essential to them. Unfortunately, the situation is sometimes complicated by mariage breakdown and remarriage, with values often being disrupted in the process. But grandparents can help insofar as they are able and available during the transition period.

Seniors and grandparents can be instrumental in improving cohesion within the family. Grandparents act as the thread connecting the past, the present and the future. Many teenagers feel they stand alone against the problems of daily living. In 1993, in Quebec, seniors from Le Pélican seniors club, in co–operation with the Villeray local community service center, in Montreal, and the Regroupement inter–organismes pour une politique familiale au Québec, founded La Maison des grands–parents, or grandparents' house.

Grandparents welcome their children and grandchildren in this house, which is a co–ordination centre for family action. The house's goals are to foster social involvement, help prevent problems inherent to disadvantaged and isolated families, and promote reconciliation and co–operation within and between families.

Then, other seniors from various golden age clubs in Quebec founded centres with similar goals. In my riding of Argenteuil—Papineau, teenagers from the Vert–Pré drop in centre in Huberdeau and seniors from the gold age association in Saint–Adolphe–d' Howard worked together on a self–help project.

In June 1993, the general meeting of the Quebec Federation of Senior Citizens came out in support of bringing grandparents and their grandchildren closer together. It was the federation's contribution to the International Year of the Family. There are also groups of caring grandparents in various regions of Quebec. The purpose of these organizations is to put grandparents or seniors, both singles and couples, in touch with families with young children.

• (1735)

Their goal is to promote intergenerational contact, to help and support young families, to recognize the experience of grandparents and allow them to play an active role in society. This description of some projects is not restrictive, and I urge all seniors to take the steps required to create similar projects.

As a representative of seniors' organizations, I have always sought to ensure that the government does not penalize seniors. I took part in the debate on Bill C–54, which has a special impact on seniors' pensions through the Canada pension plan and old age security. We in the Bloc Quebecois proposed a series of amendments to protect seniors, who would otherwise be penalized by Bill C–54. Unfortunately, these amendments were rejected by the government.

I also spoke to Bill C–232, an act to amend the Divorce Act. The purpose of this bill is to exempt grandparents from having to obtain special leave of the court to apply for an interim, standing or variation order with respect to custody of or access to their grandchildren.

I am personally very concerned about the old age pension reform announced by the government, which will take effect in 1997 and possibly earlier.

In 1994, the government announced the production of a document to be tabled. It delayed the release of that document, preferring to wait until after the Quebec referendum. Thanks to the hearings held by the Commission des aînés sur l'avenir du Québec, our seniors had an opportunity to express their views regarding their future. That consultation process showed that the concerns of seniors are similar everywhere in the country, and have to do with their social and economic situation.

We are all convinced of the major influence that grandparents and seniors have on the development of children and on the well–being of families. We must give grandparents the place that should be theirs in the family context, and we must make all Canadians aware of the importance of their role.

Grandparents are an essential source of affection, understanding and experience which strengthens the family. They must be integrated to the family life.

In conclusion, the official opposition supports the motion of the member for Don Valley North asking the government to designate the second Sunday in September of each year as Grandparents Day, in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

I thank the hon. member on behalf of all the organizations representing the elderly, and also on behalf of all grandparents, young and not so young, for emphasizing their contribution to our society.

Finally, I want to point out that, should Quebecers vote in favour of sovereignty on October 30, Quebec might also recognize the contribution of its elderly and designate the second Sunday in September of each year as Grandparents Day.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to congratulate the member for Don Valley North for having his Motion No. 273 selected and deemed votable.

In this motion the government is being asked to consider designating the second Sunday in September of each year as grandparents day. I am very familiar with this issue as I also presented before this House on June 22, 1995, Bill C–259 asking for a national grandparents day on the second Sunday in September. I am aware that the member for Don Valley North also presented a bill asking for a grandparents day. Unfortunately, neither of our bills was votable.

It is fitting and proper that this 35th Parliament finally corrects a wrong against our senior citizens. It does not cost taxpayers any money for the government to recognize our seniors, the oldest group in our society which is becoming more plentiful as Canadians live healthier and longer lives. I would like to draw members' attention right now to the gallery where grandparents are waiting to hear the verdict of today's motion.

• (1740)

1994 was the Year of the Family. As I have stated many times, the family is our basic unit in society. We need to keep our families strong. There is a natural progression here: from strong families come strong communities; from strong communities come strong provinces and states; and from strong provinces and states come strong countries.

Again, if a country is to remain strong, its people must be strong, for a country reflects the value of its people. Who teaches the values to children? The parents. Who taught them? Their parents, the elders in each of our families, the grandparents and the great grandparents, those who have experience and are wise in the ways of the world. We all realize that the best way to be wise is through personal experience and hardships.

Many of today's seniors and grandparents are very active. Many are still in the workforce. Many are in volunteer organizations. My point is that these grandparents and great grandparents have given their fair share to society and many are still giving. If we are wise, all Canadians will show our seniors how much we appreciate them.

In times of restraint there is no money for new programs, especially programs for children. Patience, caring, knowledge, experience, time and love are what are needed to work with children. Our seniors have all of these requirements. Many are already giving countless volunteer hours to children.

Recognition of grandparents day is really recognition of grandchildren and their relationship to the future of our country. When we talk about respecting our grandparents, we are reinforcing the rights of our grandchildren.

Lifting the role of grandparents gives recognition to the interests of our grandchildren. It provides a bridge between the age gaps of young and old. When we see seniors working with young children, we realize there really are no age gaps. They converse very well together and understand each other very well. What better way for children and parents to say thank you than by having a nationally recognized day to visit grandparents and pay respect to these seniors?

At present I am honoured to be representing Canadian grandparents in their fight to see their grandchildren after a divorce. Too often, many are cut out of their grandchildren's lives just because the custodial parent does not think the children should continue to see their grandparents. Often it is the grandparents who in difficult times can reinforce the stability and love in a grandchild's life through a difficult divorce. In the United States where the rights of grandparents to see their grandchildren are recognized, over five million grandparents are raising their grandchildren.

So many seniors want to be grandparents that there is even an organization called Volunteer Grandparents. A very good friend of mine who has never married became a volunteer grandparent about 15 years ago. It is a very special part of her life.

We have an opportunity here to recognize all grandparents. Let us be positive and agree to this motion.

Many in the House may wonder if the rest of Canada feels that the recognition of grandparents is wanted within our country. Nancy Wooldridge, president of the Canadian Grandparents Association in British Columbia and her membership wrote to all the municipalities in British Columbia asking for their assistance in proclaiming the second Sunday in September 1995 past, which was September 10, to be declared grandparents day. The response was incredible. I have only some replies with me today but in recognition of what those communities have done, I think I should share them.

Quesnel city council proclaimed September 10 as grandparents day. Mayor Robert Bowes declared the week of September 10 to 16 as volunteer grandparents week in Surrey. September 10, 1995 was proclaimed as grandparents day in the district of Metchosin. Ralph Drew, mayor of the village of Belcarra proclaimed September 10, 1995 as grandparents day.

Ted Nebbeling, mayor of the resort municipality of Whistler, proclaimed September 10, 1995 as grandparents day in the resort of Whistler. Mayor Robert G. McMinn proclaimed September 10, 1995 as grandparents day in the district of Highlands.

On behalf of the village council and the citizens of Keremeos, Mayor Robert White declared September 10 as grandparents day.

Mayor Ernie Palfrey was pleased to proclaim September 10, 1995 as grandparents day in the district of Coldstream. On behalf of the city council and the citizens of Fort St. John, Stephen Thorlakson, mayor of Fort St. John, proclaimed September 10, 1995 as grandparents day. Mayor Mike Patterson proclaimed September 10, 1995 as grandparents day in the city of Cranbrook.

• (1745)

Kevin Mitchell, acting mayor of the city of Fernie, proclaimed September 10, 1995 grandparents day. The Trail council has considered my letter dated August 17 requesting council proclaim September 10 grandparents day. It has agreed to issue the proclamation.

Bob Cross, mayor of Victoria, British Columbia, proclaims September 10, 1995 grandparents day. Mayor Don Lockstead of Powell River at the regular council meeting proclaimed September 10 grandparents day. Marlene Grinnell, mayor of city of Langley, proclaims September 10 grandparents day.

John Bergbusch, mayor of city of Callwood, declares September 10 grandparents day. Oak Bay proclaims September 10 grandparents day. James Lomie, mayor of the district of Campbell River, proclaims September 10 grandparents day.

The Kitimat municipal council proclaims September 10 grandparents day. Ross Imrie, mayor of the district of North Saanich, proclaims September 10 grandparents day. Louis Sekora, mayor of the city of Coquitlam, proclaims September 10 grandparents day.

Parksville declares September 10 grandparents day. At Sechelt's regular council meeting mayor Duncan Fraser was pleased to proclaim September 10 grandparents day.

Osoyoos' meeting of council on September 5 resolved that September 10 be proclaimed grandparents day. Gary Korpan, mayor of the city of Nanaimo, proclaims September 10 grandparents day.

James Stuart, mayor of the city of Kelowna, proclaims September 10 grandparents day. John Les, mayor of the district of Chilliwack, proclaims September 10 grandparents day. Greg Halsey–Brant, mayor of Richmond, proclaims September 10 grandparents day.

John Backhouse, mayor of city of Prince George, proclaims September 10 grandparents day. Philip Owen, mayor of the city of Vancouver, proclaims September 10 grandparents day.

I do not know how this got in here. It is from Calgary: "On behalf of the city council and the citizens of Calgary, I hereby proclaim September 10 grandparents day".

These are only some of the responses received by the B.C. chapter of the Canadian Grandparents Association to honour our grandparents in 1995.

I cannot speak for all of Canada but I can surely speak for the cities and communities in British Columbia. British Columbians already recognize the contributions made by our grandparents, our seniors in Canadian society.

I respectfully request that we as members of Parliament recognize the tremendous ongoing contributions by our grandparents on behalf of all Canadians by recognizing from now on the second Sunday in September as official grandparents day.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am pleased to support the motion of my colleague, the hon. member for Don Valley North, to designate the second Sunday in September grandparents day.

I have spoken out on the significance of grandparents in the House on a number of occasions. Grandparents play an irreplaceable role in the life of Canadian families. They form a stable link in a rapidly changing world. Where there is fragmentation because of divorce or separation they bring continuity. Today many families are headed by single parents and where there are two parents they are often found both working outside the home.

The significance and value of grandparents have increased beyond belief. I do not hold grandparents to be glorified babysitters but rather as parents' surrogates who bring love, a continuance of generational values and a sense of the child's worth to the integrity of the family.

I speak from personal knowledge and with emotion about the importance of grandparents because I was brought up by a grandparent. My parents both worked outside the home for most of my life with them. They needed to for economic reasons. It was my grandmother who nurtured me, gave me a sense of worth and moulded in many ways the course my life was to take.

• (1750)

My grandmother was my role model, my mentor and my confidant. As a strong feminist woman long before the term was invented, she taught me to be bold and confident, to stand up for my beliefs, to change things when I did not like them, to be an active participant in changing my society and my world.

Mr. Speaker, I would be so bold as to say I stand before you today because of my grandmother. Yet I have never been able to celebrate her contribution to my life. We all celebrate Mother's Day, Father's Day, Remembrance Day. We have dedicated weeks to promote breast cancer awareness, AIDS, violence

against women, but we have never celebrated the worth of our grandparents to the family, to society and to future generations.

Grandparents have enriched our lives by their presence. They represent the past, our history to us in their stories, in their lifestyles and in their values. Through them we gain a sense of the continuity of humankind and through us they live forever.

I once remarked that if grandparents did not exist in nature we would have invented them because they are the embodiment of the concept of family. Because of the reverence and love I feel for my grandmother I cannot wait to be a grandparent so I can completely emulate her as my role model. Unfortunately my sons do not seem willing to comply at this time.

You do not need children of your own to be a grandparent. In British Columbia there is a volunteer grandparent's association whose members adopt, figuratively speaking, children who are not fortunate enough to know or who do not have a biological grandparent close at hand. As we all know, in this vast land of ours families can live far away from each other and many families do not have an extended family or a grandparent close by. My children did not. These volunteer grandparents bridge that gap and bring to hundreds of B.C. children the warmth and experience of having a grandparent.

Grandparents bring a sense of trust. They help us to feel safe because no matter what happens they are our refuge against often cranky parents.

In many cultures grandparents are historians. In others they are the heads of households. They bring wisdom and warmth, joy and stability, and the list of their worth goes on and on.

I will finish today by quoting the words of one young constituent who has expressed so simply the importance of her grandmother:

> The first day I was brought into this world I met my grandmother. I have come to know her very well. These past 17 years she has been there for me almost as much as my parents. My grandmother is a very special part of my life. She was the one who took care of me when I was sick or cheered me up when I was down. I get to see her almost once a week.
>
> My grandmother is the most interesting lady I know. She is an artist, a chef and a seamstress. This lady has a good eye for fashion and style and she always knows just what to buy me. I heard all grandmothers are good cooks but my grandmother is one of the finest. She supplies the birthday dinners and cakes for the whole family. No matter how much her grandchildren whine and complain she always keeps her cool and has great patience with us all. I am extremely lucky to have such a wonderful grandmother. Not everyone is so fortunate.
>
> She is the type of lady who is always doing special things for you and is always trying to please. My grandmother means the world to me. I hope she remains with me for many years to come.

By passing this bill we will make that wish come true.

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I am delighted to have seconded this motion put forward by my colleague, the member for Don Valley North, on the selection of grandparents day in Canada, Motion No. 273.

I believe the motion will be a model for the world by showing that Canada pays respect to grandparents, to seniors, whose love, wisdom and caring for their daughters and sons, for their grandchildren, are truly recognized.

It is my honour to support this motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I support this motion which would designate the second Sunday in September as grandparents day.

It is appropriate to recognize the members for Don Valley North and Mission—Coquitlam. It must bring a tremendous amount of satisfaction for these members to come to the House in their first term to present a motion that receives the support of all parties and eventually goes through the whole House. I congratulate my colleague.

• (1755)

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.

(Motion agreed to.)

Mr. Boudria: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to call it 6.30 p.m. and proceed with the adjournment debate.

The Deputy Speaker: Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT DEBATE

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PHARMACEUTICALS

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the Liberal government is cutting costs and reducing services in our medicare system. In the last budget it drastically cut transfer payments to the provinces and will continue to do so each year over the next three years, reducing health care services further.

Why will the Liberals not enact cost cutting measures that would not reduce services to Canadians yet would save taxpayers a billion dollars a year or more? This could be done by repealing Bill C–91, the drug patent act, passed in the last Parliament. Bill C–91 catered to foreign drug companies that wanted to make more money by extending drug patents to 20 years for prescription drugs, in essence a 20–year monopoly to charge whatever price they want for certain prescription drugs.

In opposition Liberal members of Parliament, such as the current Minister of Health and the Minister of Industry, were present in the House on December 10, 1992 to vote against Bill C–91. Now that they are in government they support the legislation, which is a very major flip–flop.

Bill C–91 has had the effect of costing Canadians billions of dollars in their prescription drug costs. In the past eight years drug prices have increased 13 per cent every year for an accumulated total of 220 per cent. For example, the cost of Tagamet, a drug to treat ulcers, is 78 per cent cheaper when a Canadian generic drug is used instead of the brand name product. This is why our prescription drug costs are skyrocketing. Bill C–91 prevents the generic drug companies from producing cheaper copies of prescription drugs. Pharmaceutical companies have a 20–year monopoly on their patents and a monopoly pricing situation exists to the detriment of the health of Canadians.

Prescription drugs represent over 15 per cent of the total cost of health care in Canada. This amounts to over $11 billion every year. It is a fact that drugs are the fastest growing cost to medicare. It is also one of the most controllable costs to our medicare system because Parliament has the power to put forth legislation that will control the cost of drugs and end price gouging by pharmaceutical drug companies.

Pharmaceutical drug companies employ roughly one sales representative for every three doctors in Canada and spend $10,000 per doctor on promotions. Canadian taxpayers are paying for these promotions while hundreds of millions of dollars of profits are leaving the country and jobs are being cut by the drug companies. These prices have increased 13 per cent each year over the past eight years due to Bill C–91.

While in opposition the Liberals opposed the bill. While in government they are now supporting it. The government must immediately abolish the automatic injunction clause of the patented medicines regulations. The automatic injunction clause adds two more years on top of the 20 years that a drug pharmaceutical company can charge rates and prevent the generic industry from competing. This clause, if abolished, would save Canadians $750 million right off the top.

By repealing Bill C–91 in its entirety Canadians could save $3 billion to $5 billion each year on health care costs through reduction in prescription drugs, equivalent by the way to the Liberal government's cut to medicare funding over the three years proposed in its budget.

Why will the government not do this? Why is the Liberal Party allowing pharmaceutical drug manufacturers to set the agenda? It is a fact that the Liberal Party receives thousands of dollars in donations from foreign drug companies. Is this the reason?

• (1800)

The Liberal Party's inaction to rein in the outrageous brand name price increases is costing Canadians and threatening our health care system. It is time for action. The Liberal government must act immediately to abolish the automatic injunction on prescription drugs and make a commitment to abolish Bill C–91.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to say that the member is absolutely right. In opposition we opposed Bill C–91. I not only opposed it in the House, I set up a display in my office on the Danforth pointing out the difficulties with Bill C–91.

We lost that vote, and the mechanism for Bill C–91 was put in place by the previous government. In many respects it is not unlike the GST. We campaigned vigorously against the GST and we lost in opposition, but the entire infrastructure and the mechanisms for the GST were put in place. When we were given the trust two years ago today, one of the things we had to face was the challenge of doing something about the GST. This bill is in many respects similar to that challenge.

The minister has said that we are currently evaluating the impact of Bill C–91. There is a parliamentary review process that will be invoked in 1997. The challenge presented by the drug patent policy is to ensure that it conforms with all the international trade obligations and supports the development of our pharmaceutical industry while making patented drugs available to Canadian consumers at non–excessive prices.

I want to reassure the member that we are not running away from our concern about what takes place with Bill C–91. He should know that not only the government but many members in the House share many of his views. We are very wise to the marketing in this industry. He will just have to be patient a little longer so that when we attack this issue we will do it in a rational and totally constructive way so that we will not upset the infrastructure that has been put in place and the investment that has already been started.

ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, as members will probably recall, in June the Standing Committee on the Environment and Sustainable Development issued a report on the Canadian Environmental Protection Act entitled: "It is about our Health". It is a parliamentary study that aims at pollution prevention in the interest of public health. It was made possible because of extensive hearings with over 100 witnesses from all walks of life in all parts of the country. As a result of that, the committee recommended major changes to the existing

act, commonly known as CEPA, the Canadian Environmental Protection Act.

The changes to the act, which in essence deals with toxic substances, are necessary because at the present time the legislation is too slow in protecting the public from toxic substances. For instance, the complete toxicity assessments for 13 out of the 44 substances placed on the priority list in 1988 have not yet been done. In addition to that, of the 26 substances found to be toxic, only three, those related to chlorofluorocarbons, chlorinated pulp effluents, and PCBs, have been subjected to regulation.

• (1805)

In addition, problems related to enforcement, problems related to biotechnology products, problems related to the role and lifestyle of our aboriginal people, in particular in relation to environmental protection, and problems related to the management of Canada's coastal zones have not been resolved by the act as it exists at the present time. To address these problems, the committee called expert witnesses, scientists and native people, industry, professional organizations, et cetera, to ensure their recommendations would have sound expert support.

The committee's recommendations reflect the principle of sustainable development as set out in the red book, "Creating Opportunity", which was produced in 1993 during the federal election. In addition to that, the committee's report builds on three cabinet documents; namely, the government's toxic substances management policy, the strategic framework for pollution prevention, and the guide to green government. The last one was signed and endorsed by all members of cabinet. Therefore, the report of the committee has as its foundation three substantial documents produced by the present government, and quite rightly so, in support of sustainable development objectives.

To conclude, the report is based on the concept of pollution prevention. The accepted norm for environmental protection policy in industry and governments in the western world is therefore in that report. Every witness before the committee urged that the government adopt pollution prevention, shifting away from the costly approach of reacting and curing to the more efficient approach of anticipating and preventing.

I see that my time is up. I thank you for your indulgence.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I have to say through you to my colleague from Davenport, who has led the way for so many of us on environmental issues in this House, that as a government we must pay attention to his words right away.

When I was working on the Hill as a young assistant back in the early 1980s and the member for Davenport was Minister of the Environment, he helped put us on the international map with his campaign on acid rain. I have experienced his passion and his commitment. I have been exposed to his knowledge on this issue on a thousand different occasions.

I can only say to the member for Davenport that his words will be communicated directly to the minister and to the cabinet. With the trust that we as a government have in his advice, I am sure we will be moving on his recommendations in the near future.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38, the motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.10 p.m.)

HOUSE OF COMMONS

Thursday, October 26, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to present, in both official languages, the government's response to 14 petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the Standing Committee on Environment and Sustainable Development has the honour to present its sixth report, pursuant to the order of reference made Monday, October 2, 1995.

Your committee reviewed Bill C–94, an act to regulate interprovincial trade and the importation for commercial purposes of certain manganese–based substances, and agreed to report it without amendment. A copy of the minutes on this bill is being tabled.

* * *

[*English*]

COMMITTEES OF THE HOUSE

FINANCE

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I have the honour to present the 20th report of the Standing Committee on Finance. In accordance with its order of reference of Monday, September 25, 1995, the committee has considered Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, and has agreed to report it with one amendment.

* * *

PETITIONS

NATIONAL UNITY

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I take tremendous pride in representing my community, and the petition I am presenting is one of the reasons. It was organized by Mr. Jakeet Singh, a student at Waterloo collegiate. A year ago a couple of students at WCI decided that with the referendum approaching the youth of Canada would reach out to do their part in having our country remain united.

There are 4,000 signatures on this petition. These citizens of Canada want to see this country remain united from coast to coast, with Quebec as an integral part of our nation.

I am very pleased to present this petition to the House. It is in addition to the many other things done in my community in expressing its love for a united Canada.

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes from all across Canada and contains 1,183 signatures, making a total of over 6,200 signatures to date.

The petitioners request that in memory of Dawn Shaw, a six–year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament.

The petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to ensure the conviction of offenders.

I fully concur with the petitioners and endorse this petition.

The Speaker: With all respect, we need not endorse nor be against a petition but simply present the petition.

NATIONAL PARKS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, I have the honour of submitting a petition signed by senior citizens of my home province concerning the payment of fees to enter Prince Edward Island's national parks. The petitioners feel they have contributed their share to the economy over the year's enter the parks for sightseeing only and do not use any of the other services offered by the parks.

Accordingly, the petitioners request Parliament to review the policy of charging senior citizens entrance fees to Canada's national parks.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition circulating all across Canada. It has been signed by a number of Canadians from Uxbridge, Ontario.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession that has not been recognized for its value to our society. They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

[*Translation*]

EMPLOYMENT CENTRES

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, today, I am tabling a petition signed by 10,000 people in my riding, which denounces the cuts in the Martin budget, particularly their impact on our riding's employment centre, whose staff will be reduced from 50 to 15 and which will become a local employment centre.

All those who signed the petition denounce the impact this will have on the regional economy. I am pleased to table this petition today.

• (1010)

[*English*]

CANADIAN FLAG

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have the honour to present a petition signed by more than 200 people calling on Parliament to recognize that Canada recognizes two official languages but that our flag does not reflect this duality. Being only red and white it does not reflect the blue that has traditionally represented the French speaking population.

[*Translation*]

The petitioners are asking Parliament to legislate in order to get discussions underway on the renewal of our national emblem to include blue bands within the red borders to symbolize Canada's distinct francophone society and promote unity and harmony within the country. This addition would enhance the beauty of our flag.

[*English*]

The petition is the initiative of Hank Gigandet, who believes we should renew our Canadian flag.

NATIONAL UNITY

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the privilege of presenting a petition on behalf of a number of my constituents from Stormont—Dundas and over 15,000 Canadians from coast to coast who signed a unity scroll that originated with Mr. Norm Lalonde of Cornwall and several volunteers who have contributed many hours of their time to ask Canadians to sign this unity scroll.

The petitioners draw to the attention of the House their belief that all Canadians want the same from life in Canada and that Canadians want the opportunity to prosper, to grow and to preserve the rich heritage and cultures that built our great nation regardless of where we live in this vast country.

To begin this process they invite Canadians, particularly those who reside in Quebec, to stay within the Canadian family and join all Canadians in taking Canada to a united, stronger and greater future.

Therefore the petitioners call on Parliament to unite and continue to build this great country.

RAIL SERVICE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to present a petition on behalf of petitioners in my riding concerning the government's restructuring of the railroads.

The petition states that rail service is the fastest and most environmentally responsible means of travel and that the subsidies to VIA Rail are not disproportionate to the huge subsidies provided for highway infrastructure.

On behalf of my constituents I present this petition to maintain passenger rail service in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House proceeded to the consideration of 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, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Speaker: There are 23 motions in amendment standing on the Order Paper for the report stage of Bill C–61.

The motions will be grouped for debate as follows:

Group No. 1, Motion No. 1.

[*Translation*]

Group No. 2, Motions Nos. 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

[*English*]

Group No. 3, Motions Nos. 3, 4, 5, 18 and 19.

Group No. 4, Motions Nos. 20 and 23.

• (1015)

[*Translation*]

Group No. 5, Motions Nos. 21 and 22.

[*English*]

I wish to inform the House that there is an error in the text of Motion No. 1 in the name of the member for Kindersley—Lloydminister. The motion should read:

That Bill C–61, in clause 4, be amended by adding after line 23, on page 2, the following:

"(b) prescribing criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence".

MOTIONS IN AMENDMENT

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 1

That Bill C–61, in clause 4, be amended by adding after line 23, on page 2, the following:

"(b) prescribing criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence".

He said: Mr. Speaker, we are at report stage of Bill C–61, a bill that allows the Department of Agriculture, under the jurisdiction of the minister of agriculture, to impose administrative monetary penalties for a violation to the various acts that were just read in the House and to seek compliance agreements to ensure the violations do not continue in the future.

My party and I support the concept of administrative monetary penalties. We also support the concept of compliance agreements. The House will see in the amendments we have proposed today that none of them would disallow the use of administrative monetary penalties to implement or to penalize violations of acts, particularly those that would affect regulations dealing with agriculture, health, safety and the like. Nor do any of the amendments we propose, including the one we are dealing with right now, preclude the minister reaching a compliance agreement with an offender or with a violator of any of the offences in the acts we are dealing with today.

Our amendments attempt to qualify and quantify the powers of the minister, the powers of the tribunal to which violators can appeal, and to clarify certain parts of the acts and the rights and the responsibilities of both the violator and the minister in enforcing and administering the monetary penalties and forming compliance agreements.

Motion No. 1 is incorrectly printed in the Notice Paper. It says that the minister shall prescribe "criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence". The amendment requires the minister to have regulations determining the differences between a violation which the AMPs address and an offence which the court system addresses. We feel this clarification would respond to some concerns in the industry about the matter.

The Standing Committee on Agriculture and Agri–Food was given information by the Parliamentary Secretary to the Minister of Agriculture and Agri–Food that a number of institutions and associations impacted by the legislation support Bill C–61. The parliamentary secretary to the minister of agriculture circulated a list in the committee of several organizations such as the Canadian Horticultural Council, the Canadian Meat Council, the Canadian Animal Health Institute, the Canadian Veterinary Medical Association, the Canadian Nursery Trades Association, the Canadian Egg Marketing Agency, the Canadian Seed Growers Association, the Council of Forestry Industries of British Columbia, the Canadian Fertilizer Institute, the National Dairy Council of Canada and the Holstein Association of Canada.

The parliamentary secretary indicated to the committee that all these associations and organizations supported Bill C–61. The list that he circulated in the committee was titled "Organizations which support Bill C–61". He said that he would supply letters of support for the bill to members of the committee. We sought those letters of support, and when we received them only one of the letters was dated after the introduction of

Bill C–61. In other words all the letters the parliamentary secretary suggested indicated support for Bill C–61 were written in 1992 and 1993, which is before the current government was elected and before Bill C–61 was in the drafting stage, let alone introduced into the House of Commons.

• (1020)

We took note of what the individuals who wrote those letters said and found that while they supported the concepts of AMPS and compliance agreements, they wanted to review the legislation once drafted and to comment on it.

To my knowledge the minister of agriculture and his officials have not yet supplied us with any letters, other than one letter from the Canadian Meat Council, that actually support Bill C–61. I bring that forward as a concern and as a rationale for some of the amendments we are proposing.

Motion No. 1 would require the minister to have regulations determining the differences between a violation which the AMPS address and an offence which the court system addresses. This must happen in any case. The amendment ensures that the minister is required to do it. The criteria must be more open and more well known in the industry and if the criteria are wrong we will know in advance, before the regulations are administered, whether or not they will be done in a fair and reasonable manner.

Departmental officials say that they are doing a great job of it right now, that they are very fair minded, very reasonable in the way they administer penalties on violations and deal with offences under the acts. That may very well be; I am not here to challenge whether or not they are doing a good job. However over time, situations change. A few years ago we had a Mulroney government that was very arrogant. We may have a Liberal government that becomes more arrogant or we may have some new arrangement in the Parliament of Canada in the years ahead where ministers and departments overstep their bounds.

The amendment is not criticizing the current administration. It is not a criticism of the Department of Agriculture. It is not a criticism of the minister's officials. It is ensuring that in the future the criteria will be very public, that no one could be biased in their determination of whether a violation would follow the AMPS and compliance route or go the court route, perhaps based on someone's politics, on which part of the country they live in or on some other unreasonable criteria unacceptable to Canadians.

The minister must set out a criterion to determine the differences. This minor amendment would ensure that happens. It would ensure the AMPS and the compliance agreements would have a reason for introduction. If the department decided not to go the AMPS route or the compliance agreement route and decided to take the matter to the courts, to the justice system, we would know the criteria on which the decision was made. It is a more open, transparent way of performing one's responsibilities.

I urge the House to accept the amendment. It certainly is not partisan by nature; it certainly is not unreasonable. Therefore I ask for the support of all members.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am pleased to have the opportunity in the House today to deal with Bill C–61 and the various possible motions in amendment that have been put on the Order Paper with respect to Bill C–61.

In beginning the discussion on Motion No. 1, I start by making reference to a matter the member for Kindersley—Lloydminster referred to in his opening remarks, the level of industry support for the measure as it appears in the form of the legislation.

• (1025)

My parliamentary secretary, in dealing with the issue before the committee, indicated that there was broad support for the legislation as it appears before the House of Commons. In indicating the kind of correspondence presented to verify the support, my parliamentary secretary was not in any way misleading or attempting to mislead members of the committee. He stated quite accurately that letters of support had been received for the principle and the concept of the legislation from 11 key industry organizations. The names of the organizations have already been referred to by the hon. member opposite.

Consultation on the legislation began a long time before the bill was actually drafted. In October 1992 Agriculture and Agri–Food Canada wrote to all industry associations to inform them of the intention to move forward with an administrative monetary penalty system. After that consultation various letters of support were received broadly from the industry. Also a variety of industry groups reaffirmed their support for this type of legislation during the regulatory review process conducted by my department during the course of 1992.

Once the bill was actually drafted and tabled in the House of Commons on December 5, 1994, a letter and substantial documentation were sent to 132 industry associations informing them that the bill had been tabled. The letter went on to detail the significant features of the legislation. It specifically provided a contact point to enable further discussion and information upon request from the various industry organizations.

In response we received a few inquiries seeking certain specific clarifications about some detailed points contained in the draft legislation, but there were no letters and no other forms of communication indicating any fundamental change on the part of the industry in terms of support for the legislation.

At the same time a press release was issued to over 1,000 media and industry contacts. It indicated that the legislation had been tabled and that the concepts previously discussed in various forms of consultation had now been transformed into legislative form and were about to proceed through the House of Commons.

As the bill has been before the House for some considerable length of time, various industry representatives have been kept informed of the progress of the legislation. Certainly the indication is that a broad measure of support in the industry continues for Bill C–61.

In view of the concerns expressed at committee stage by members of the opposition wondering if the previous expressions of support continue to the present time, this week my officials have contacted a number of the groups and organizations previously consulted. This week my officials have also spoken with the Canadian Horticulture Council, the Canadian Egg Marketing Agency, the Canadian Seed Growers' Association, the National Dairy Council and the Canadian Meat Council. All the organizations again reconfirmed their support for the bill.

While I appreciate the question about earlier support and later support being raised by the hon. member for Kindersley—Lloydminster, the evidence before us indicates fairly clearly that a broad measure of support was there in the beginning and continues to the present time.

• (1030)

Specifically Motion No. 1 talks about the possibility of prescribing in regulations the criteria for determining whether any contravention should be considered as an administrative violation or an offence. I have a couple of observations I would like to make.

At the present time, every contravention can be prosecuted through the court system. This bill gives to the minister of agriculture an administrative option where prosecution is seen to be too harsh or too drastic a measure. In arriving at his or her decision as to whether to proceed immediately through the court system by way of prosecution or proceed under the auspices of administrative monetary penalties, the minister of the day will be guided by a compliance and enforcement policy. That policy establishes criteria to advise and instruct the department in making decisions on the use of the various enforcement options that are available, the more severe and the less severe.

The compliance and enforcement policy is a public document. It would not be prescribed by way of regulation, but it would be on the public record for the public to know about, to understand, to ask questions about, and potentially even to suggest changes to.

The choice to be made by the minister in any given set of circumstances is whether to prosecute or whether to issue a monetary penalty. This is akin to a choice that is often before prosecutors in criminal matters where a decision has to be made about whether to proceed by way of indictment, which is a more serious method of proceeding through the court system, or by way of summary conviction, which is a somewhat less serious method of proceeding.

Because the choice in any given case is so heavily dependent upon the individual facts of the situation, there is obviously a requirement here for some degree of flexibility. I would say to my hon. friend across the way that I do not believe it is practical or realistic to have hard and fast rules set down and prescribed by way of regulations. The necessary flexibility that has to be there in making these judgment calls is best offered by relying on a policy statement, a policy document, rather than trying to etch all of that in the more rigid framework of regulations.

I repeat the point I made earlier. The policy document on compliance and enforcement matters dealing with how decisions are to be made on the choice of the various enforcement options that might be available will be open to the public. One of the fundamental things we are trying to achieve by means of this legislation is an open, fair and transparent process.

I would simply conclude by saying that in making these choices, which are difficult choices and require judgment calls to be made and some measure of flexibility, depending on a wide variety of factual situations that may confront the minister of the day, it is important for these matters to be dealt with in the form of a public policy document as opposed to trying to etch them in the more rigid form of regulations. While I understand the general point my hon. friend is trying to make, I would not be in a position to recommend support for Motion No. 1.

• (1035)

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, I must take part in the debate on Bill C–61 today, because this bill cannot be agreed on as presented by the government, on the basis that it would save time and money for the taxpayers.

I entirely agree with the principle, and so does my party, but the government always has to leave the door open to all kinds of adverse consequences.

This bill could have serious consequences in terms of disregard for judicial fairness. If the department introduces a system of monetary penalties, it must be because it believes that this will significantly reduce the need for enforcement actions, thus generating substantial savings for taxpayers.

The big problem is that the government did not foresee the risks that making totally arbitrary decisions on the enforcement of such penalties entail. We object to reducing penalties imposed on offenders by concluding compliance agreements. That is unfair.

It would have been enlightening for the government to advise us of the potential savings resulting from this bill. This legislation contains a totally unacceptable principle, authorizing the person designated by the minister to conclude an agreement with the offender, whose fine would be reduced by $1 for every $2 invested by the business into improving its process, buying new equipment or training its employees. As far as I know, penalties are not negotiable in our justice system. Bargaining fines is not something we do in Quebec. Anyone who was stopped for speeding knows what I mean: either you are guilty and you pay the full amount of the fine or you go to court and let the judge decide.

The existing justice system provides that the person who is guilty of a fault must bear the consequences of his or her actions. Instead, with this bill, a wealthy offender, one who can more easily afford making investments to remedy a particular situation, is rewarded. In the way of unequal treatment, you can hardly find worse. This is preferential treatment based on the financial capability of an individual or business, and that is unfair.

I would also like the government to tell us who will be in charge of assessing the cost of the efforts made by offending individuals or businesses to remedy the situation. Training, equipment, all that can cost more in one region than in another. In a region where it costs more, offenders will be penalized. Moreover, will they be informed of all the means made available to them to correct the situation? And what if an offender, in collusion with suppliers, presented inflated bills? Frankly, there are tax or other incentives which could be used to promote investment and training by companies. For heaven's sake, let us not negotiate penalties.

Another unacceptable provision in this bill is the one which provides for a 50 per cent reduction of the penalty if the offender pays it without appealing the decision or asking for a hearing. With that provision, the government undermines the presumption of innocence. A number of members of this House are lawyers and they know that the presumption of innocence is a fundamental right. Indeed, under our legal system, a person is deemed innocent until there is evidence to the contrary.

Let us take an unclear situation where there would be grounds for challenging the decision. The minister would tell the individual or business that it is in their best interest to keep a low profile, otherwise, they would of course have to submit to a hearing—

An hon. member: You are not discussing the right motion.

Mr. Landry: What is the problem?

An hon. member: You are discussing Motion No. 2.

The Speaker: Is everything all right? Fine. Let us stop for a few seconds and then give the floor to the hon. member for one minute. I have a question.

• (1040)

Does the hon. member wish to continue the debate?

Mr. Landry: Mr. Speaker, I want to address Motion No. 2. I apologize. I spoke too soon. I am sorry.

The Speaker: Thank you. Resuming debate. We are still discussing Motion No. 1. The debate is on Group No. 1.

[*English*]

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, it is a pleasure for a westerner to be able to speak to this motion. I begin by pointing out that there has been in both recent and historical terms a need to address the problem this bill and this motion seemingly are dealing with.

The minister is charged with the duty to look at any circumstance in which there has been an infraction under the law and take that circumstance and assess whether or not it is "a very serious situation". Perhaps even out of ignorance a person may become involved in a set of circumstances that really potentially is serious if not checked.

The biggest point that needs to be addressed is the bill and the minister are trying to bring about some compliance to the degree that this infraction or this problem can be rectified.

Under the present situation, every contravention must be prosecuted. The reason the bill is being put in place is to have in place some discretionary powers whereby the bill will in fact still bring about compliance while recognizing that there are some circumstances that need not produce criminal records.

To prescribe by regulation, as the motion puts forward, the criterion for determining whether a contravention should be considered as a violation or an offence perhaps is on the surface rather difficult, but once it gets operating sets of criteria will flow and will become apparent.

I will give a couple of examples. Let us suggest that somebody has entered material into the food chain that is very harmful. This would require penalties that perhaps would be approaching the criminal level and should be dealt with very seriously.

At the standing committee my colleague said perhaps a person who is hauling animals will be putting too many animals into a trailer and unknowingly breaking the regulations. Consequently, all we need to do is deal with that individual on a user friendly basis.

I feel the motion on the criteria situation is one that in time will flow and the decision on whether or not to prosecute or put in place the monetary penalties when necessary will bring about the desired effect of compliance. The minister has the duty to make known what those criteria are as the events unfold.

• (1045)

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

We will now proceed to Group No. 2.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 2

That Bill C–61, in Clause 4, be amended by replacing lines 32 to 34, on page 2, with the following:

"reduced;".

Motion No. 6

That Bill C–61, in Clause 8, be amended by replacing line 7, on page 5, with the following:

"the Tribunal."

Motion No. 7

That Bill C–61, in Clause 9, be amended by replacing lines 15 to 19, on page 5, with the following:

"penalty, the person named in the notice may pay the amount of the penalty in the prescribed time and manner.

(1.1) Where a person pays the amount referred to in subsection (1),".

Motion No. 8

That Bill C–61, in Clause 9, be amended by replacing lines 32 to 40, on page 5, with the following:

"in the prescribed time and manner, request a review by the Tribunal of the".

Motion No. 9

That Bill C–61 be amended by deleting Clause 10.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 10

That Bill C–61, in Clause 10, be amended by replacing line 17, on page 6, with the following:

"reasonable security, in a form and in an amount".

Motion No. 11

That Bill C–61, in Clause 10, be amended by adding after line 31, on page 7, the following:

"(4.1) Where security has been given under paragraph (1)(*a*), the notice shall also state that the security shall not be forfeited to Her Majesty in right of Canada unless the amount of the security is less than twice the amount of the penalty set out in the notice of violation."

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 12

That Bill C–61 be amended by deleting Clause 11.

Motion No. 13

That Bill C–61 be amended by deleting Clause 12.

Motion No. 14

That Bill C–61 be amended by deleting Clause 13.

• (1050)

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 15

That Bill C–61, in Clause 14, be amended by replacing lines 3 and 4, on page 9, with the following:

"14. (1) No later than six months after the Tribunal receives a request for a review under this Act, it shall, by order, as".

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 16

That Bill C–61, in Clause 14, be amended by replacing lines 4 to 16, on page 9, with the following:

"under this Act, the Tribunal shall, by order, as the case may be, determine whether or not the person requesting the review committed a violation and, where the Tribunal decides that the person committed a violation but considers that the amount of the penalty for the violation, if any, was not established in accordance with the regulations, the Tribunal shall correct the amount of the penalty, and the Tribunal shall cause a notice of any or–".

Motion No. 17

That Bill C–61, in Clause 15, be amended by deleting lines 38 to 42, on page 9 and lines 1 to 7, on page 10.

He said: Mr. Speaker, I rise to oppose Bill C–61, because we feel it is unacceptable in its present form. Myself and my party fully agree with the underlying principle, which is to save taxpayers time and money. However, it seems that the government always opens the door to all sorts of harmful effects.

This bill could have a major adverse impact on compliance and fairness. Moreover, if the department is setting up a system of monetary penalties it is because it feels such a system can greatly simplify the procedures used to ensure compliance, and therefore result in major savings to Canadian taxpayers. The problem is that the government did not anticipate the possibility that some decisions related to the process may be totally arbitrary. We oppose the compliance agreements which allow the designated person to reduce the penalty imposed to an offender. Such a procedure is unfair.

The government should also have told us about the potential savings associated with the implementation of this bill. Allowing a person designated by the department to enter into a compliance agreement with an offender is totally unacceptable. Under such an arrangement, the offender's penalty would be reduced by one dollar for every two dollars that the company would invest to improve its procedures, buy new material or train its staff. As far as I know, our justice system does not allow an offender to negotiate his or her penalty. Bargaining penalties is not part of our way of doing things. Just ask those who get arrested for speeding: either you are guilty and pay the full amount of the fine, or you challenge the decision before the court and the judge makes a ruling.

Under our justice system, an offender must assume the consequences of his acts. An offender who has the means to invest money to correct a specific situation would benefit from that provision. This bill is as unfair as you can get. Such preferential treatment is based on the spending power of an individual or a company, and that is unfair.

Moreover, can the government tell us who will evaluate the cost of efforts made by the individual or company to remedy the situation? Training, equipment, all these things cost more or less, depending on where you live. Offenders would be penalized if they live in a region where these costs are high. What is more, will they be informed of all of the approaches available to them for correcting the situation? And what if, with the complicity of suppliers, our offender produces padded invoices? Frankly, there are tax or other incentives which could be used if we are seeking to step up investments or training in a company. But for goodness' sake , let us not link it with negotiation of a sentence.

Another unacceptable point: the bill calls for a 50 per cent reduction in the penalty if the person committing the violation pays the fine without contesting or requesting a review. Here the government is attacking the very foundations of presumed innocence. A number of hon. members are lawyers and they know this is a fundamental right. A person is considered innocent until proven otherwise in our legal system, is he not?

Let us look at an obscure situation in which there were grounds to request a review. The minister would tell the individual or company that it would be in his or its best interests to be seen and not heard. Of course, he could ask for a review, but with a gun at his head. He will be told that he has already been found guilty and that, if he wants to reduce his penalty, he has only to pay up without a fuss.

• (1055)

Where does the right of any individual to representation come in? Who will help the person presumed to have committed the violation to defend his point of view?

The individual may obtain a hearing before a tribunal, however, if he insists. But beware of conflicts of interest. Listen carefully to how the thing works: the tribunal is appointed by the minister. The members, whose mandate is renewable, have to assess decisions made by departmental employees.

And the latter answer to the minister. That is how it goes. It seems to me that the tribunal members could very easily be appointed by the Standing Committee on Agriculture and Agri–Food after an assessment of whether the handling of certain cases has or has not caused problems. Another point not made clear is whether the individual will have to travel to Ottawa for a hearing.

This government just loves to complicate things. Another department I will not mention, Transport Canada, uses a system of monetary sanctions. Unlike Agriculture and Agri–Food, however, Transport Canada has no mechanism allowing it to reduce penalties if the offending individual decides to pay up without an argument. There is no reduction either if he decides to invest in improvements to the facilities which earned him the fine.

It is unnecessary to offer some sort of penalty reduction bonus as an incentive for violators to pay up, because in many cases, contesting the penalty costs more than the penalty itself.

The government wants to save money. So do we. The bill before the House today proposes to amend eight acts. Most of these acts concern areas that are already administered by the provinces.

Did the government start by consulting the provinces to find out whether the monetary penalty system is a concept they would recognize, and did it then consider whether the provinces would not be in a better position to administer the system? It is high time we put an end to unnecessary duplication in inspection services.

Too often the federal inspection system's only excuse for being there at all is the international standards it enforces in order to meet international trade requirements. Why not let the provinces enforce these standards themselves? Then we would certainly save money.

In concluding, we support initiatives that help relieve pressure on the courts. Consequently, as I said at the beginning of my speech, we support the principle of Bill C–61. However, we do not agree with the double standard the Minister of Agriculture and Agri–Food wishes to introduce by reducing penalties for violators who plead guilty without asking for a review or who will invest to correct the situation.

In fact, the agreement process the department wishes to impose is certainly not essential to the bill, especially since it is a potential source of arbitrariness and inequity. I would urge the House to vote in favour of the amendments proposed by the Bloc Quebecois, in order to correct a bill that might otherwise have a disastrous impact on the concept of equity in our legal system.

[*English*]

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, the individuals who looked at the bill and came forward with amendments looked very hard at the issues they are attempting to address. I have to say their attempts to remedy or improve the bill are evident.

However I take exception that the actual function they are bringing forward will be a benefit to agriculture in general. I would point out that in Motion No. 15 they are asking to legislate what the maximum time frame should be tied to six months within which time the review tribunal must complete its review.

• (1100)

Many times when a tribunal is involved in matters it would be rather imprudent to be fixed to a particular time frame and attempt to guarantee this time frame in legislation where reason dictates that flexibility would be required and needed. Therefore, a six–month time frame would not always be suitable. I think we would have to say that some flexibility in timing would be required.

Another purpose of the motion is to remove from the minister the ability to enter into compliance agreements whereby penalties could be reduced in recognition of costs incurred by industry by taking corrective measures. The important thing in these matters is that compliance is achieved. Whether or not there is a reduced or an increased penalty is secondary in most cases to bringing about the change by the perpetrator of the infraction.

By authorizing the department to enter into these agreements the bill gives the department the tool to negotiate the implementation by industry of measures that would change the violator's practices and process. That is the key. At the same time, the violator may pay a reduced amount of penalty in exchange for compliance. These funds to effect the necessary improvements leading to a future compliance may also be used to remedy certain situations.

Compliance agreements result in immediate corrective actions. Note that we are saying immediate. When that has happened of course, the ministerial or departmental approval would be achieved. Immediate corrective action leads to a better product, improved health and safety, and more effective enforcement. Compliance agreements are optional and no one is forced to enter into these agreements. The bill provides an incentive to enter into compliance agreements by making it possible to reduce the amount of monetary penalty. As we have said, the most important outcome is that there has been a change and there has been a remedy and compliance is achieved.

To remove the possibility of a ministerial review of a notice of violation is also deemed not suitable by this amendment. I would like to speak against that point as well. A ministerial review enables a violator who wishes to challenge a monetary penalty to have a fast, inexpensive and informal way to do so. Under current legislation he must do so through the court system. As we know, that can be slow. We also know it can be very expensive. Consequently, when we hear concerns from opposite sides that we do not have enough savings by these changes, we admit that we perhaps do not have a fixed number, but we know that by taking it out of the court system we will be putting a number of dollars into agriculture rather than into the hands of people in the legal system.

The ministerial review is optional in any event. The violator may choose to proceed directly to the review tribunal. Furthermore, anyone who elects to have a ministerial review may appeal its outcome to the review tribunal.

Finally, I would like to comment on whether or not to remove the possibility for a violator to pay less than the full amount of monetary penalty where the violator does not request a review. In other words, we would be putting in place a mechanism whereby there would be a smaller amount of money taken from the perpetrator of an infraction without his even asking for it.

The intent behind including in the bill a provision that enables this to happen is twofold. First, it is to enable a violator who does not intend to challenge the assessment of a penalty to pay a reduced amount of penalty if the department is satisfied that the violator would act in good faith and take the necessary corrective measures. Again, the compliance component is paramount here. Second, it is to promote compliance without engaging in long and costly hearings.

• (1105)

Hearings are of course expensive, as we said earlier. There are other regimes. It is estimated that the average hearing cost is about $1,400, and some might be more. If we can save that $1,400, we will all be ahead of the game.

We are informed these types of reductions are common under other monetary penalty regimes both in Canada and the U.S. In these other regimes reductions are informally made on a case by case basis while taking great care to make a decision appropriately. Bill C–61 formalizes the procedure and makes the practice transparent and available to anyone.

I conclude my remarks at this point.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, this is rather heavy slugging; I hope you are enjoying the debate this morning.

We are dealing with quite a large number of amendments in Group No. 2. I am not going to speak individually on all of the Bloc amendments, but I will lump them together. It seems the Bloc's intention in proposing these amendments is to actually do away with the formulating of compliance agreements altogether. That is not a position I or my colleagues share. We are not opposed to the concept. We want to clarify, quantify and qualify some of the act to make it work better, which is the purpose of our amendments.

If the compliance agreement is properly administered and properly enforced, if it is balanced and gives a proper and reasonable amount of protection to both the minister and his department and to those violators or alleged violators who are affected by this legislation, it can actually be a useful tool that will take violators out of the courts and allow the situation to be dealt with in a less costly and more efficient manner.

Having said that about the Bloc amendments, I suspect the Bloc would have been wiser to simply oppose the bill and offer no amendments at all rather than to actually destroy the intent of the bill.

I would like to speak briefly to the motions we have put forward in this grouping. I will begin with Motion No. 10, which concerns clause 10. We would amend it by replacing line 17 on page 6 with the following: "reasonable security, in a form and in an amount".

This motion deals with the granting of security to ensure compliance of someone who has violated the regulations under one of the acts dealt with in Bill C–61. We suggested there should be criteria in the process, and I appreciate the minister saying that he already has a policy manual in place. I do not know why he and his government would oppose ensuring that policy manual continues and is very open to the public by means of the amendment we have proposed. I cannot understand why the government would not be supportive of the word reasonable in front of the word security. We all want to be reasonable people; I am sure the minister wants to be reasonable, as does his government.

Let us use an example of what this would prevent. It would prevent the minister and his department from demanding an entire meat processing plant for security if the cooler was of a value at least twice as great as the penalty that would be imposed upon the processor for any violation he had committed. That type of approach is reasonable and would prevent abuses by the minister and his department. On the other hand, it would also preclude the minister from going to the other extreme and just demanding the meat grinder for security when the violation was serious enough that he should have more security to ensure the compliance agreement is complied with.

That is a reasonable amendment. It makes the bill stronger. It again qualifies the bill and leads me into Motion No. 11, which deals with the same matter of reasonable security.

Motion No. 11 is that Bill C–61 be amended in clause 10 by adding after line 11, on page 7, the following:

(4.1) Where security has been given under paragraph (1)(a), the notice shall also state that the security shall not be forfeited to Her Majesty in right of Canada unless the amount of security is less than twice the amount of the penalty set out in the notice of violation.

• (1110)

This qualifies what reasonable security in this case would be. It prevents the minister and his department from demanding an unreasonable amount of security in ensuring a compliance agreement is complied with.

This is common sense. It is reasonable. It protects the department; it protects the minister; it protects the Canadian taxpayer. It is an incentive for the offender or the violator to comply with the agreement, yet it prevents abuse.

I will go on to Motion No. 15, which is also in this grouping. It states:

That Bill C–61, in clause 14, be amended by replacing lines 3 and 4, on page 9, with the following:

14.(1) No later than six months after the Tribunal receives a request for a review under this Act, it shall, by order, as

This seems a bit disjointed when it is read, but a tribunal is established under the act that can review disputes if they are not voluntarily complied with by the violator. If the offender is not able to make an agreement with the minister and his department, he does have recourse to a tribunal.

As we know, we have seen in the justice system in the United States and to a degree in Canada that sometimes these cases drag on and on. They are very costly. They are certainly not fair to the person who is accused or the person who has been alleged to have made a violation, and they are certainly not fair to the taxpayers who bear a large portion of the cost of this process.

Again, this is just a qualifier that ensures that the tribunal cannot delay making a decision forever and ever. In fact, it stipulates that in no case can the tribunal delay its action for more than six months. It requires the review tribunal to complete its review within six months of receiving the person's request for review.

Can the minister offer a very good reason why that is not reasonable or that does not protect taxpayers, why it does not protect the person who is alleged to have made a violation and even protect the department from ongoing cases where this situation is not resolved? It is better for all parties involved in this process.

I request that all members in the House look seriously at Motion No. 15. I suggest they support that as being fair and reasonable, making it a better act rather than a weaker one.

The purpose of these amendments is not to in any way criticize the government or do a one-up on the government; it is to make better legislation that is going to affect us all. It is in that spirit that we bring these amendments to the House.

I request that members opposite have a fair look at these amendments and see whether or not they can support them as being reasonable in this legislation, in this case suggesting reasonable security and a reasonable amount of time for decisions to be made.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, these are certainly very difficult and challenging times in the field of agriculture. We see a lot of changes going on throughout the sector worldwide. We have seen with the globalization of trade that is occurring and with the tight fiscal situations governments find themselves in all around the world that this is imposing certain constraints on the way we carry on business.

This government and the minister are facing many challenges in the area of agriculture. Certainly this government and the minister in particular has achieved a number of very significant successes in dealing with these challenges of globalization and dealing with the challenges of a tight fiscal situation.

• (1115)

When we look at the fair and thorough handling of the Crow payout issue in western Canada, the protection of the supply management system at the GATT talks and the successful completion of the GATT talks shortly after the election by the minister and the very favourable settlement of the durum wheat disputes of the U.S., in each instance the minister has dealt with these issues in a fair and thorough fashion, getting good results for the agricultural producers of Canada.

The minister has proven to be a very forceful and successful advocate for all the country's farmers, whether in the west, in Quebec, in Ontario, or in the maritimes. He has always ensured that when dealing with the issues of farmers, each group of producers in each region has its issues dealt with on the merits of the case. This bill is another fine example of dealing with the pressures and challenges facing the agricultural sector. This can be looked at as yet another success.

It is very important to point out that we are dealing with a piece of legislation that allows for compliance agreements. Therefore when there is a violation of a regulation within various parts of the agricultural sector, the usual route is to charge the individual. The individual gets a lawyer; the government gets a lawyer. The government pays for the expense and time of a tribunal to hear the case. Down the road a year or two later there is finally a decision in the dispute. Thereafter, in the event the charged individual or corporation is found guilty, their practices are changed.

This legislation allows for a speedy and fair resolution of the violation when it occurs. It allows the producers or the person charged to come to a very quick resolution of their dispute. The offending behaviour can be quickly remedied.

In a legal dispute in which charges are laid, a person will not change his behaviour for fear that change will lead to an admission of guilt.

When there is the ability for a person to simply change behaviour and get on with business, this is what we really want to see. We want to see our food safe, our industry competitive. Both these issues are dealt with very favourably by this legislation. That type of settlement is encouraged.

As we do not have the resources we used to, the solution put forward by the minister is excellent because it allows cutting the costs of corrective measures. This is very important for all Canadians. It allows industries to continue to be very competitive, to spend their resources doing their job of processing and selling products better rather than spending resources, time and energy worrying and trying to deal with a charge. In this respect the bill is excellent and handles a number of these changes in a very positive manner.

When dealing with the security required to ensure a violator complies with a compliance agreement, it has always been the intent of the minister that it be reasonable. If not included explicitly within the legislation, it is always included implicitly.

• (1120)

If the matter were subject to dispute, I have no doubt the courts would simply read into the legislation that the security required by the minister or the department would be reasonable. However, I suppose one could look at this amendment and say it is exactly what the intent of the legislation is and therefore would be reasonable to include it within the legislation.

One of the motions seeks to remove the possibility for the violator to pay less than the full amount of the monetary penalty where the violator does not request a review. The intent behind the bill includes the provision which enables a violator to pay less than the full amount of the penalty which otherwise would be taken if the procedure were to go to court.

The intent behind it is twofold. It enables a violator who does not intend to challenge the assessment of the penalty to pay a reduced penalty and to get on with life. It encourages the person to take corrective measures. It also promotes compliance without engaging in long and costly hearings. That makes sense. There is a large benefit to the person charged or who has committed a violation to simply change the behaviour and to get on with business. That is what the legislation is all about. If the possibility for the violator to pay less were not there, we would not see many violators voluntarily changing their behaviour.

The legislation deals with the fiscal realities of the government. It encourages a change of behaviour on the part of violators within the agriculture and agri–food sectors. It encourages the improvement of behaviour. Canada will continue to produce high quality goods in the agricultural field and will continue to have a competitive industry. The legislation also assists Canada to compete in the international market because the resources of the companies and the government will not be diverted into long legal disputes.

The legislation accomplishes a number of goals. It is another example of the minister's dealing effectively with the challenges we are facing in the agri–food sector today. I congratulate the minister and all the people who have worked hard to make this legislation a reality.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am pleased to address the motions we are discussing in Group No. 2, Motion No. 2 and Motions Nos. 6 through 17. They are all part of our discussion at the present time.

Remarks were made earlier by the hon. member for Lotbinière regarding overlap and duplication in agricultural policies and programs between the federal government and provincial jurisdiction. I will address that point for a moment.

That there might be some measure of overlap is probably to be expected since under our Constitution agriculture is specifically and explicitly a joint federal–provincial responsibility.

• (1125)

When we look at the duplication that actually exists, it is truly remarkable that the amount involved in agriculture is tiny. Two studies were conducted within the last year or so by the Government of Quebec. One was released in the spring of this year and the other was released earlier this fall.

One study indicated that at the very worst the amount of overlap and duplication between the Government of Canada and the Government of Quebec with respect to agriculture might involve a cost in the order of 2.5 per cent. According to the other study, it was more like 1 per cent. According to the studies it is very minor.

On a number of occasions in the House and publicly I have indicated to the Government of Quebec and every other provincial government to the extent that overlap and duplication exist in the field of agriculture, that we should talk about it. We should work it out of the system so we have it at the absolute minimum, even though it is already very small to start with.

There really is no substantial argument to be made on the point of overlap and duplication because there is not much in the first place. To the extent that it does exist the Government of Canada is completely prepared to work with every provincial jurisdiction to identify problem areas that might exist and to work them out of the system so that overlap and duplication are minimized.

In the remarks of the member for Lotbinière I also heard an attempt to demean or diminish the importance of the Canadian federal inspection system in agriculture. That system is vital to Canadian farmers, exporters and consumers in terms of providing this country with the safest and highest quality of food in the world.

Studies, some of which we released at the time of the federal budget last February, indicated Canadians have a very high confidence level in our food system in terms of its health and its safety because of the Canadian food inspection system which ranks among the very best in the world in terms of health and safety standards. That gives our consumers a very strong and positive feeling about the quality of products they buy from the Canadian food system. It also provides our customers abroad with a very high level of expectation about the standards they can receive when they buy from Canada.

I have had the opportunity to visit with our customers in foreign markets, in the Asia–Pacific region, in Latin America, in Europe and in other places around the world. They have repeatedly told me that when they buy from Canada they know they buy the very best and they rely heavily on the high quality, high standard inspection system.

It is not accurate or appropriate to dismiss that as something frivolous or unmeaningful. It matters a lot to Canadian farmers, to Canadian exporters and potential exporters, to Canadian consumers and to our international customers. That inspection system is exceedingly important to all Canadians.

I have heard that comment repeated to me over and over by exporters and potential exporters from Quebec who know the value of the Canadian inspection system and who want to see it maintained in the best interests of Quebec agriculture and Canadian agriculture.

• (1130)

Can we make our inspection system even better? The answer to that is obviously yes. At the present time we are working very hard in co–operation with the private sector and in co–operation with all provincial governments to make that system better. We are working on areas where we can avoid costs in the system. We are working on areas where we can reduce costs in the system. We are working on areas where we can share costs in the system when there is an appropriate sharing of benefits at the same time. We are looking at a whole range of ways in which we can introduce new technology into the system to take advantage of the advances in science and technology in the field of food inspection systems.

We are also pursuing new approaches that have international acceptance such as an approach called HACCP, as it is known by its acronym, the hazard analysis at critical control points system. It is deemed in many jurisdictions around the world to be the very best system to move toward for the future. Many Canadian companies are already beginning to adopt that approach in their inspection standards.

Finally, there is the issue of more co–ordination and co–operation among all those in the system who have some responsibility for inspection.

I have seen examples of inspection situations in the country where three or four federal government departments are involved in some aspect of inspection, perhaps two or three departments at the provincial level and on occasion, some departments at the municipal level. That is an area where there is some overlap we can seriously work at removing from the system. We are trying to do that in two ways.

First, at the federal level we are working very hard on a single federal approach to inspection so that we do not have overlapping activities on the part of several federal departments all inspecting the same thing but simply repeating the process over and over again. We are making progress at working out those illustrations of federal overlap so we get the inspection job done but we do not cause repetitive actions that are in fact counterproductive and costly.

Second, we are working very hard with the provinces, as is evidenced by the last several federal–provincial meetings of agriculture ministers, to develop a Canadian national food inspection system. It is a system where all jurisdictions and all levels that have responsibility work in greater co–ordination with each other so that at the end of the day the very best inspection work gets done at a very high level with excellent standards and calibre, but we avoid costs in the system, overlap and duplication. We then have a system that performs to the very high standards we want at the very least possible cost.

The story of food inspection is one in which Canadians can have confidence and of which they can be very proud both for today and for the future. Having said that, I would add this one final sentence. It is critically important that we maintain our vigilance with respect to food inspection so that Canadians cannot only have a past reputation for being the very best in the world, but can have the absolute confidence that their reputation will continue forever into the future.

In the group of motions that are specifically before us, Motions Nos. 2, 8, 9 and 12 have already been dealt with, I believe, by my colleague for Brandon—Souris quite effectively. Similarly, Motions Nos. 6, 8, 13, 14, 16 and 17 have been dealt with by the member for Brandon—Souris in considerable detail. I do not propose to repeat what he said.

I want to focus on Motion No. 10, presented by the member for Kindersley—Lloydminster, where he suggests the insertion of the word reasonable. It is obviously our intention, with respect to the matters dealt with under Motion No. 10, to be reasonable. I have no difficulty with the inclusion of that word with respect to Motion No. 10. I would suggest though, as a consequence that it would not be necessary to accept Motion No. 11 because the point is already covered effectively by the amendment we are prepared to accept in Motion No. 10.

• (1135)

All other motions in the package I would recommend against. However, the government is prepared to accept the amendment proposed in Motion No. 10.

[*Translation*]

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 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.

Some hon. members: On division.

The Deputy Speaker: I declare the motion lost on division.

I therefore declare Motions Nos. 6, 7, 8, 9, 12, 13, 14, 16, and 17 lost.

(Motion No. 2 negatived.)

[*English*]

The Deputy Speaker: The question is on Motion No. 10. 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.

The Deputy Speaker: I declare Motion No. 10 carried.

(Motion No. 10 agreed to.)

The Deputy Speaker: The next question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), a recorded division on Motion No. 11 stands deferred.

The next question is on Motion No. 15. 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 Motion No. 15 stands deferred.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 3

That Bill C-61, in Clause 4, be amended by replacing lines 14 and 15, on page 3, with the following:

"committed to obtain a financial benefit, $1,000 for a first violation and $2,000 for any subsequent violation; and

(*b*) in any other case

(i) $1,000 for a first minor violation, $5,000 for a first serious violation and $10,000 for a first very serious violation, or

(ii) $2,000 for a subsequent minor violation, $10,000 for a subsequent serious violation and $15,000 for a subsequent very serious violation."

Motion No. 4

That Bill C-61, in Clause 7, be amended by replacing line 25, on page 4, with the following:

"violation and the designated person serving the notice of violation and".

Motion No. 5

That Bill C-61, in Clause 7, be amended by replacing line 33, on page 4, with the following:

"paying, which shall not be less than forty-five days, and the manner of paying the".

Motion No. 18

That Bill C-61, in Clause 15, be amended by replacing line 13, on page 10, with the following:

"(f) the amount of any reasonable expenses incurred".

Motion No. 19

That Bill C-61, in Clause 18, be amended by replacing lines 1 to 14, on page 11, with the following:

"18. A person named in a notice of violation has a defence by reason that the person

(*a*) exercised due diligence to prevent the violation; or

(*b*) reasonably and honestly believed in the existence of facts that, if true, would exonerate the person."

He said: Mr. Speaker, we are making a little progress here. Let us see if we can make more.

The minister says he has some good news and he has some bad news. The good news is that he has listened to Reform once. Perhaps the bad news is that he did not listen to us on the first amendment which he should have supported as well.

• (1140)

Mr. Hill (Prince George—Peace River): The bad news is he is a Liberal.

Mr. Hermanson: We are dealing with motions which my party submitted in this group, Motions Nos. 3, 4, 5, 18 and 19. I will try to be quick and discuss the substance of the motions, dealing first with Motion No. 3. It is to suggest that Bill C-61 in

dealing first with Motion No. 3. It is to suggest that Bill C–61 in clause 4 be amended by replacing some lines. We are reducing the administrative monetary penalty for first time violations.

There is a matrix in place which begins to do this, but the matrix is not included in the legislation. In our judgment, this reinforces that matrix component and ensures that the principle is enacted in the legislation.

The administrative monetary penalties fall into three maximum ranges. The first one is for a minor violation, having a maximum of $2,000, a serious violation having a maximum of $5,000 and a very serious violation having a maximum of $15,000. For a second or subsequent violations we think this is reasonable. However for a first violation, often dealing with small business and with producers, this seems rather severe.

I understand also there can be a warning issued as well for a violation. The minister and his department have that option. I am not so concerned about the norm as I am the extraordinary circumstances that this legislation has to be prepared to deal with. It is only reasonable and right that the legislation should contain the principle that on a first violation the amount of the penalty be reduced by half to protect small business, smaller producers and smaller processors.

We have another amendment further along. If I knew that amendment was going to be passed, this one would not be quite so important. My suspicions are it may not be and that precludes an alleged violator being able to use due diligence and having burden of proof put on the minister. If that fails, it is even more important that Motion No. 3 pass and the first time violations not be subject to quite as severe a monetary penalty.

Motion No. 4 is another real common sense amendment to which I hope the minister is listening and which I hope he will agree to pass. It suggests that when a person is notified of the violation, besides having his or her name served on the notice, the person who is serving the notice has to identify him or herself as well. This is an agent of the Department of Agriculture, an agent of the minister.

This is common sense and common procedure that someone who is imposing a fine, an administrative monetary penalty, on someone who is alleged to have violated regulations under the agriculture act should have the person who served that notice put his or her name on that same piece of paper. That is only common sense. It will be useful, valuable and will also protect the person who is alleged to have made the violation.

Motion No. 5 amends clause 7. The legislation states that the minister may make regulations prescribing anything that by this act is to be prescribed. That is a pretty blank cheque, particularly when it comes to time frame and some of these specifications.

When a person is served a notice of violation, we do not know how long he or she has to respond. This act does not indicate whether that person has 24 hours, 24 days, or 24 months to respond and to make a decision on whether to ask for an appeal, an appeal to the tribunal, agree to pay the monetary fine or seek compliance.

• (1145)

Nothing in the act suggests a time frame for the decision to be made by the person accused of the violation. The amendment we are proposing would suggest that the person have at least 45 days to make a decision on what route to go.

The minister could argue that it should be 30 days, 25 days or 60 days. I am willing to listen to his arguments. However the fact that there are no restrictions in the act whatsoever is irresponsible and could be dangerous if at some future time Agriculture Canada became very heavy handed and gave people two days to decide what course of action they wanted to follow. Several courses of action are permitted in this piece of legislation.

This gets confusing. I thank members for bearing with me. I want to make sure I have covered all the motions in this grouping. There are two more motions I want to briefly touch on. In Motion No. 18 we are inserting the word reasonable into clause 15 on line 13. If the minister and his department seize goods and dispose of them, the expenses incurred by the department in disposing the seized goods are charged to the violator.

If the word reasonable is not included in the clause, the minister could hire Lloyds of London to come in and hold an auction to sell something of small value that has been seized, say a load of produce. We do not want to see these extremes employed by the department. We want to make sure reasonable means are used and only reasonable expenses are incurred in the sale of seized goods.

Motion No. 19 amends clause 18. It reads:

> a person named in a notice of violation has a defence by reason that the person
>
> (a) exercised due diligence to prevent the violation; or
>
> (b) reasonably and honestly believed in the existence of facts that, if true, would exonerate the person.

There has been extensive debate in committee over this issue. Many members, even members on the Liberal side, were concerned that the act authorizing administrative monetary penalties and encouraging compliance of those accused of violations does not allow those alleged to have violated to use due diligence as a defence. This is a violation of some of the common law protection in Canada.

It allows for a heavy handed department to preclude people asked to pay the fines under the act from normal defences, normal access to the justice system and the normal common law defence of due diligence and honest belief in the facts as presented to exonerate people.

We were moving into an area where perhaps the rights of those charged under the act were being abused. There needed to be some changes. This was the best way that we could ensure it was an even handed piece of legislation that did not unduly burden and persecute those charged with a violation and preclude them from the defence they required if they were to adequately defend themselves from a department that may get carried away or go a little too far.

Again I ask members opposite to seriously consider each of the amendments. I appreciate that they supported one amendment that made a lot of sense. There are some here that also make a lot of sense. If they have not considered them, I ask them to look at the amendments to see which ones they can support.

I invite all members of the House to support each of the amendments in Group No. 3.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the member for Kindersley—Lloydminster made an important point in his last statement when he said we support amendments that make sense.

The difficulty with these amendments, I am sorry to say, is that in terms of the effectiveness of the legislation they do not make sense. I will speak on most of them.

• (1150)

On Motion No. 3, we have to understand current maximum penalties are relatively modest. The bill does not make a distinction between the first and subsequent violations for the purpose of setting a maximum penalty that could be assessed.

I am surprised to a certain extent that a reduction for a first offence is being requested, given that very often when dealing with violations of law or quasi–law the Reform Party wants to go all out and go for the jugular. In this case you are asking for—

The Deputy Speaker: I ask the member to put his remarks through the Chair. I know it is a bore but it is required by our procedure.

Mr. Easter: I will do that. In this case the regulations will determine a base penalty amount range in circumstances under which penalties may be increased or reduced. Compliance history will be one of the factors set out in the regulations whereby penalties will be reduced for violators with no previous history of non–compliance and increased for those who commit subsequent violations.

Under clause 4(3) of Bill C–61 penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation and the compliance history of the person who committed the violation.

In terms of Motion No. 3 the legislation has to remain as is to give the flexibility needed to enforce compliance.

On Motion No. 4, as I understand it the basic purpose of the Reform amendment is to have a notice of violation to identify the designated person serving the notice. I do not see the need for that. The bill allows that a notice may be served by various means.

Mr. Hermanson: It is a speeding ticket.

Mr. Easter: I try not to get speeding tickets. I might inform the hon. member that where I come from in Prince Edward Island we do not need to speed to get from place to place, it is such a wonderful place to be. I can understand the member for Kindersley—Lloydminster wanting to speed to get to P.E.I. some time because of its great people and great industries. We would welcome him any time but we will not pay his speeding tickets.

The bill allows for a notice to be served by various means and the server of a notice may not necessarily be the designated person. By definition the designated person is the person who issues the notice. Service of the notice is a procedural matter best addressed by maintaining a degree of flexibility. The bill allows the matter of service of all documents including notices to be addressed by regulations, for example paragraph 4(1)(g). The regulations will make provision for service in person or by registered mail, which is appropriate.

On Motion No. 5, the member for Kindersley—Lloydminster could correct me if I am wrong but its purpose is basically to legislate a minimum time of 45 days within which a penalty may be paid. This is a procedural matter to be determined by regulation. There is certainly reason for determining some of the procedures by regulation.

We must be careful not to be overly restrictive in terms of the bill.

• (1155)

The member mentioned earlier that the department could become overly heavy handed. I certainly know that if it became overly heavy handed with the current minister it would be addressed. I would expect members opposite to be forever watchful in that regard. Under this legislation I do not expect the department could become overly heavy handed.

I will deal specifically with Motion No. 5. To include time frames such as these in legislation is impractical because it is very difficult to make future changes. Procedural details are generally contained in regulations or in policy documents.

The regulation process is open and fair. The preparation and drafting of regulations include consultation with the industry and the prepublication of regulations in *The Canada Gazette*, part I. The process will ensure that a reasonable time frame is put in regulation for the payment of a monetary penalty. It gives us some flexibility in reviewing it in the future to redress it through regulation. It might be easier to take the member's

concerns into consideration in the future, maintaining that flexibility by way of regulation.

The purpose of Motion No. 18 is to clarify that the expenses recoverable by Her Majesty with respect to the disposal of forfeited goods are reasonable. I was surprised by the hon. member's comments that maybe the minister would hire Lloyds of London to sell some goods. As he very well knows the government—and sometimes it is to the point of being of concern to some of us—is very concerned about how departments spend their limited dollars.

The House could be assured that the government or the ministry would not spend money in an unreasonable way. I challenge the member on the comment that we would go that far astray. It has always been the government's intention to administer the bill in a reasonable way. One thing about the government is that it does not need everything in legislation to be reasonable. We are a reasonable bunch to begin with and that is very well known in the community.

The last motion is Motion No. 19. Its intent is to enable a violator to rely on the defence of due diligence. We would have to oppose it. Bill C–61 allows for the issuance of monetary penalties on the basis of absolute liability. The department only needs to prove the alleged violator committed an act in violation of the regulations. The bill does not allow a defence of due diligence by which a violator can avoid liability by establishing that he or she was not negligent.

Under Bill C–61 there is no possibility of imprisonment, no record of conviction for an offence created, and penalties are modest rather than punitive in nature. Because of these factors there is no constitutional or other legal impediment to proceeding on the basis of absolute liability. It is worth mentioning that although the due diligence defence does not apply, other common law defences are available to a person to whom a notice of violation is issued. Those are my comments on the motions.

• (1200)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to speak to this group of motions and to some extent to the thrust of the bill.

I represent an urban area, not a rural area. One might be curious as to why a city boy is standing to talk on an agricultural bill. My family and I eat the food, I acknowledge that. We depend on this constituency for survival.

I did take an interest in the bill from when it was first introduced in the House. Initially it raised some concerns with me. These concerns were expressed to the ministry and to colleagues. They were reduced to writing; it was not just talk. In the end I see the department has adapted the bill and made changes at committee. We are still making a few minor changes in the House.

What is significant here is that the House will delegate to a department an administrative penalty program that involves a huge constituency, the whole agricultural community. Up until now the House has not delegated that kind of authority. The ability to police, to levy penalties and fines has usually been in the field of criminal law.

We do not delegate that kind of authority out of the House without making sure it is set out very specifically in our laws. In this case we have. It was done earlier in relation to airports and the field of aviation. However, in that area we are dealing with a very small constituency. Here we are doing it with the agricultural community and thousands and thousands of Canadians will be participating in and subject to this new administrative monetary penalty system.

We must be vigilant in the House, as I know all members are. The opposition is certainly vigilant, which is its job. My colleagues on the government side have been vigilant about how this process is to evolve.

We should look at other areas of Canadian life where there are rules and penalties. One that comes to mind, which is a little bizarre, is the National Hockey League in which Canadians play hockey for a living and voluntarily subject themselves to a system of rules. On the ice, hockey players can be fined and suspended. Granted it is a very small constituency but it happens in other areas of amateur hockey in Canada as well.

In this case we are talking about the entire agricultural community. As the minister has pointed out, it has bought into the new system. It is a recognition of evolution and modern government that the old way of doing things does not work any more. It is too cumbersome. Just because somebody ends up with a badly shaped potato should not be a matter subject to a criminal offence or a quasi–criminal offence.

We have a new system evolving here and I think we will make it work. The government has adapted and recognized the extreme difficulty in applying standards of strict and absolute liability. While in the beginning we perhaps were not as sensitive to the issues involved, as my colleague from Malpeque pointed out, the department and the legislation have the issue down very well.

The motions for further changes to the bill by the opposition are useful for the record even if my colleagues on this side of the House do not accept them all. I know some have been. However, it is a further good faith attempt to refine this legislation so that it will work to the benefit of Canadians.

• (1205)

I am pleased to indicate my support for the bill generally. I am sorry I cannot support all the opposition motions in amendment. The minister has the proper system and it will fly well.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, it is an honour for me to rise on the bill a second time.

Within my riding there are urban areas and there is also a large rural area where agricultural producers provide the food which we all eat and enjoy.

With respect to this motion I will go over a number of the proposals for change put forward by members opposite. There is a motion which seeks to vary the maximum allowable penalty between the first and subsequent violations. While there could be some merit to these suggestions, in light of the fact that the current maximum penalties are relatively modest, it would not be in our interests to start making distinctions between first and subsequent violations for the purpose of setting a maximum penalty which could be assessed. That does not mean that where there is a subsequent violation a larger penalty could not be assessed.

The legislation allows for maximum flexibility when determining the level of penalty to be assessed when regulations have been violated. This flexibility takes into consideration the compliance history in determining the level of the fine. That is, it does not automatically lead to a greater fine. One must also consider all the circumstances surrounding the alleged violation in determining the penalty.

In subclause 4(3)(a) of Bill C–61 the penalty amounts can be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation and the compliance history of the person who committed the violation. Therefore we have a system in which all factors are considered in dealing with the maximum level of penalty to be set.

Motion No. 4 proposes that the designated person serving the notice of violation be identified. The bill seeks to achieve administrative simplicity, an inexpensive yet effective system. This is one of the quasi–judicial procedures required by the legislation. I do not believe it would be efficient to have individuals designated within the legislation. By the definition included within the legislation, the designated person issues the notice.

• (1210)

The service of the notice is simply a procedural matter. We want to see a flexible yet efficient system for ensuring that the violator of a regulation gets notice. We also want to ensure we are not overburdened with large expenses or complicated mechanisms to get the notice to the person.

The amendments to the act will allow for the provision of service to the person by registered mail. The nature of the offence is a very important factor when considering how a person should be served or notified of the offence. These offences are absolute liability offences. Therefore the procedural requirements to ensure notification, et cetera, are at a minimum level.

At the other end of the scale we have criminal law, the violation of which requires a lot more procedural care, a very much higher standard of proof. Because these offences are of a minor regulatory nature, the service need not be such that it leads to any type of inefficiency.

With respect to Motion No. 5, there is the suggestion to legislate the minimum time of 45 days within which a penalty may be paid. Dealing with time frames within legislation, at one time in our system of government it may have been quite reasonable to include within legislation time frames within which penalties may be paid or within which certain actions may be taken. However, as our legislative requirements have grown it has become more complicated.

Acts have become far more comprehensive. We are dealing with what goes into an act and what should be within the regulations. Acts are not easily amended or changed. Therefore if a provision in an act such as a time frame is found not to function properly we may be stuck with that time frame for a considerable length of time if we are looking at amending legislation to get the change.

What is being proposed is that these time frames be contained within the regulation where it is appropriate. If found to be unworkable or in need of an amendment they can be changed with the minimum amount of disruption to the system. In a cheap, effective manner they can be changed as quickly as is practical. This is what insertion of time frames within the regulations would allow.

Motion No. 18 is another motion to insert the word reasonable within the statute. It is to clarify that expenses recovered by the crown in respect of the disposal of forfeited goods are reasonable. While this was not in the legislation, certainly it was always the intention of the department to be reasonable in the charges and requirements it makes of people who forfeit goods. This is implied within the legislation.

The term reasonable would no doubt be implied in the legislation anyway. Obviously where the goods are forfeited they will not be able to make exorbitant charges. There are limitations.

The Reform Party has put forward a sensible amendment which reflects the intent of the legislation and which therefore should be accepted. It shows the openness of the government and the minister. It shows a lot of flexibility, and I appreciate that flexibility on the part of the minister.

• (1215)

The issue of allowing the violator to rely on the due diligence defence has been carefully addressed by a number of my other colleagues. I will echo those remarks.

Once again, I appreciate the effort that has gone into making this bill such a success. Congratulations to the minister for yet another fine piece of work.

Mr. Hermanson: I rise on a point of order, Mr. Speaker. It has been brought to my attention that there is one more error in the Order Paper. I would like to bring that to the attention of the House to make sure it is corrected.

In my Motion No. 11 on the Order Paper and Notice Paper it states: "That Bill C–61, in clause 10, be amended by adding after line 31, on page 7, the following", and it goes on to state my amendment. That in fact is an error. The amendment falls after line 11, not line 31. If we look in the bill it raises it on page 7 before subclause (5) rather than after subclause (5).

I suspect that those members who looked at this carefully and perhaps felt they could not support the amendment when they saw where it was supposed to be will change their position and support my amendment.

The Deputy Speaker: I thank the hon. member. The table officers will check into this matter and the Speaker will get back to the House on that issue.

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I am indeed delighted to have the opportunity to address this House on the subject of Bill C–61, as I represent a region where agriculture is fundamental, where it is one of the underlying sectors of the economy.

I would first like to congratulate the minister and all the members of the House standing committee, who studied the bill and have proposed amendments.

I think Bill C–61 is further proof that our government has paid heed, throughout this 35th Parliament, to all that Canadians from coast to coast have said about the need for the various levels of government and the different departments to manage time and money more efficiently.

When producers have less bureaucracy to deal with and less of an investment in time to make the result is a lower product cost; the financial benefits they reap are passed on to food product consumers. In the end, less bureaucracy and less time invested for producers means a lower product cost, which consumers also enjoy.

However, when we look at Bill C–61, we note that all the measures to protect Canadian consumers are still there, along with the added protection afforded by the effective action of departmental officials.

• (1220)

This additional protection for all those who violate the various agriculture–related bills will make it possible to adjust their penalties immediately.

And I also think we will save money if we transfer all these penalties with the possibility of an appeal before a quasi–judicial tribunal. In this way we are saving both time and the taxpayers' money the federal government would otherwise spend to bring all these violators before the courts. The violators themselves may not have to appear in court, but we all know about legal fees and what it costs to be represented in court. What is particularly important in this bill, as in other bills and measures initiated by our government in the past two years, is that it will make our economy, our bureaucracy and our judicial system more efficient.

I think that is what I see as the central focus of all bills on agriculture, because that is what Canadians from coast to coast have asked us to do, and we acted accordingly. We did this in a number of departments. I want to commend the Minister of Agriculture for having the foresight to make changes in these bills so that we can be more efficient.

According to the text of the bill and the proposed amendments, the bill will allow the imposition of penalties through an administrative process, in addition to the criminal sentences authorized by law. The department's officials will be able to set penalties of up to $15,000, based on various criteria provided in the form of tables in the regulations.

It is also worth mentioning that all consultations with the agricultural sector were held before the bill was prepared. When a government acts in good faith, all the people involved in the bill appreciate the various consultation mechanisms we set up and support the various options we provide. The bill also provides for a reduction of the penalty when the offender pays it within the time limit without challenging it or demanding a hearing to reduce it.

This is another measure that will allow all stakeholders, including governments, producers and those who market agri–food products across the country, to become more effective and efficient and to benefit from large scale savings.

In fact, the industry supports the consulting process and the work done by the standing committee on this bill because we indeed have the effective enforcement of Canadian standards, especially with respect to imported products.

• (1225)

Regarding the importation of agri–food products into our country and the time required to process offenders through the judicial system, we can take measures on site to discipline these offenders under the threat of monetary penalties. We can provide even greater, almost immediate protection for Canadian consumers.

When I look at the various aspects of this bill and of some amendments put forward by the standing committee, I think that our government has taken a giant step in assuming its responsibilities toward our agricultural industry and toward Canadian consumers. I have no hesitation in supporting this bill and the amendments proposed by the Standing Committee on Agriculture and Agri–Food.

[*English*]

The Deputy Speaker: The table officers have considered the matter raised by the hon. member for Kindersley—Lloydminister. He is absolutely correct. It changes nothing. It will be amended in accordance with his sharp–eyed advice to the Chair. We thank him for making that correction.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, my comments perhaps will be somewhat limited, because I plan to deal with only one aspect of the legislation. That aspect deals with Motion No. 19 and the suggestion that the defence of due diligence should apply to the legislation.

As much as I believe in the system of justice we have and that we must always put in all defences possible for the enforcement of laws and the defendant should have available defences such as due diligence, et cetera, I am suggesting that the motion should be defeated and that such a defence should not be allowed and not be applicable in a bill such as Bill C–61. There are a number of reasons why I suggest this. It comes from looking at the system we have in Canada in the food processing industry, which is perhaps one of the best in the world. If we allowed such a defence of due diligence to apply, we would be diluting the system we have. We would be regressing rather than progressing.

Let me give an example of a possible occurrence. I have earned money in the past by defending individuals using defences like this. Let me give an example of why the system perhaps should not have this defence.

If an importer brings in a particular product, whether it be cheese, bread or whatever, and there is something wrong with the product and it is contrary to the legislation and therefore subject to penalty under this statute, the person could be brought forward and could claim due diligence. He could say: "I contacted the manufacturer and he absolutely guaranteed that there was nothing wrong with this product. The foreign processor told me that every precaution was taken to make sure this food was safe. The foreign processor told me that spot checks, et cetera, have been done on this food and it is fine. I have used all due diligence in making sure the product is safe".

If the defence is available, the person should not be subject to the penalties. That certainly does not help the consumer who may be ingesting this food and getting ill or perhaps even dying from that food. The importer must go further.

• (1230)

If the importer is subject to the penalties in this act, the importer must be in a position to say: "I did spot checks. I tested this food and I made certain it was safe". It is not good enough because if due diligence applied, the importer could always rely on it and always bring in unsafe food although the processor in the foreign country indicated it was good enough.

We require this rule so foreign processors cannot bypass the safety standards of our country. We require it so that if the importer is in violation of this act, the importer can go back to the foreign processor and say: "What you told me was not good enough. You must take other steps to ensure and guarantee this product is good. If you do not do that, I will change suppliers because I do not want to be brought forward again and punished for being in contravention of the act". That is why due diligence should not apply.

Due diligence is applicable in many other areas of our justice system but should not be in the food processing industry. Again, this shows why Canada has one of the best food systems in the world. If we allow such a defence we are going to be regressing rather than progressing in the future, regressing because errors will not be corrected and the same problems will arise. If we allow it, this would be small comfort to an individual who might ingest an adulterated food that might cause serious injury or possibly even death.

The system put in place by Bill C–61 is a quick system. It is effective but it will not be painless. It cannot be painless. There has to be some pain but it does not have to be overly excessive. The person who violates the provisions of the bill must be brought to task for what has been done. However, Bill C–61 does not provide for imprisonment. It does not give the person a record of conviction of an offence and the penalties are rather modest but they are punitive to some extent and therefore serve the purpose required. The person who is contravening the legislation does not want to be brought back over and over.

Absolute liability offences are necessary in the food industry. They are absolutely necessary to protect people. Everyone knows this. I am sure the member for Kindersley—Lloydminster knows how important it is that any grain produced on his farm is not adulterated, that it has not been treated or accidentally adulterated with some chemicals, then sold and put into the food processing chain for someone else to eventually consume. It is as important there as it is in the processing industry. It is as important there as it is in the importing business.

How do we deal with it? Do we adopt a system where a person ends up going through a regulatory system with charges laid and the process going on and on? People like me in my other world relish such a system where things would work well for me. Or, do we put in a system that is effective and efficient? I suggest when it is contraventions in the food industry it has to be done quickly. It has to be done effectively because we cannot afford to have contraventions that continue over a period of time with adulterated food that keeps entering and maintaining itself in the food system while the possible contravention is being dealt with in the court system. It has to be quick. It has to be effective. The health of our public is too important.

• (1235)

The health of the people to which we export is too important. Canada's reputation is too important. We cannot afford to tarnish it by having our food system in any way hampered and looked on by people in this country and foreign countries, saying: "We do not know if we can rely on it. It is generally a good source, but it is not that good a source". We cannot afford such a reputation. The reputation has to be that ours is superior to everyone else, or as good as the best that there is.

The policy obviously is to maintain a very high standard. We must maintain it. It helps exports in the future and it certainly helps in the production and the processing of products.

As indicated by the hon. member for Malpeque, other common law defences are still available to a person. Due diligence is not the be all and end all if we do not accept it.

For the reasons I have given, I suggest that due diligence should not be a defence. Motion No. 19 should fail.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I have a brief word or two with respect to the motions that are in Group No. 3, Motions Nos. 3, 4, 5, 18 and 19. The members who have already spoken in detail about these proposed amendments have very clearly indicated why the majority of them are either inappropriate or unnecessary. I would like to congratulate the members who have participated in the debate on these motions in putting forward the arguments very clearly.

I would like to indicate that Motion No. 18 is fundamentally acceptable. As a matter of legal interpretation, it may not be absolutely necessary, but as the hon. member for Kindersley—Lloydminster indicated earlier with respect to Motion No. 10, if it is the government's intention to proceed in a reasonable manner, which obviously it is, then is there any harm done by including that specific word reasonable?

In the circumstances pertaining to Motion No. 18, it may as a matter of legal interpretation be a bit redundant. Some may say it is sort of gilding the lily, but it is clearly the government's intention to administer the bill in a reasonable fashion. If it improves the perception of the legislation by accepting Motion No. 18 and including the word reasonable in this context, the government has absolutely no problem with that. Motion No. 18 is certainly acceptable in this group of motions, whereas we would have to vote against Motions Nos. 3, 4, 5 and 19.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I am pleased to be able to speak this morning on the agriculture and agri–food administration of monetary penalties act. It is good legislation in the circumstances.

Presently, when an inspector under the agri–food act determines that offences have been committed under the statute, he must proceed through the criminal justice system and the whole process gets rolling. An information is laid through the attorney general's office, appearances begin in court, adjournments are made, the cost and time of not only the court administration, the cost of defence counsel, the cost of prosecuting counsel and the time it takes from beginning to end could be months if not years, depending on what the situation is.

The alternative method proposed in Bill C–61 is to establish a system of administrative monetary penalties, so that an inspector when he determines that an offence has taken place under the agri–food act, can impose a fine on the offender immediately, rather than proceeding through the judicial system. I think that is a very good procedure to be following.

• (1240)

The objective is to create a system that allows the officials of Agriculture and Agri–Food Canada to issue monetary penalties for serious or repeated violations of the regulations. The monetary penalties vary from $15,000 for companies to $2,000 for individuals. The legislation also establishes an independent tribunal to hear appeals of the proposed monetary penalties. Safeguards are still built into the system.

The AMP, if I may refer to that acronym, adds to the enforcement options available to agri–food prosecutors. The system still provides the department with appropriate responses when dealing with the violations of regulations such as in the marketing of inedible food products or the inhumane transportation of animals.

The term administrative monetary penalty is used to differentiate the monetary penalties which are administrative in nature from fines which are imposed by the court system for convictions of regulatory offences.

I will speak to some of the motions involved, but I submit that this is good government. It still provides a framework wherein Canada's high standards for food safety are maintained. That is essential. We are also assisting Agriculture and Agri–Food Canada to enforce health and safety standards consistently, not only for imported foods but for domestic food products as well.

Further, we are regulating in a more efficient and cost effective way. In this time of restraint, cost effectiveness is a very important item. Therefore, we are going to require less time and money to pursue these offences than we would otherwise do through the provincial court system.

The maintenance of a safe food supply is essential and Bill C–61 allows for the issuance of monetary penalties and is necessary to encourage industries to adhere. We do not really want them punished if they do not comply but we do want compliance. It is necessary that they adhere to these regulations such as in the areas of pesticides and animal and plant health. On matters touching food, the food chain and public health standards of conduct, they must be extremely high and the reasons are obvious.

I would also like to refer to the competitiveness of Bill C–61. I suggest that it supports the competitiveness of the agricultural sector by responding to requests for more equitable enforcement of regulations for imported and domestic products. Our domestic industry has complained for years that the standards for safety and quality are more strictly applied to them than to their competitors, especially offshore competitors and that is not fair.

Our industry supports the system because it allows Agriculture and Agri–Food Canada to respond quickly and effectively when importers or domestic industries market products that do not conform to our high standards in the area of food safety or in the safe use of pesticides. Equal enforcement of these standards for both imports and domestics enhances the competitiveness of the agricultural sectors.

Giving Agriculture and Agri–Food Canada the proper tools to effectively enforce these standards will help it to maintain Canada's fine reputation for healthy and safe food products. It is the reputation of our agri–food sector that suffers when exported products do not meet our health standards. They blame it on us, as a domestic supplier and that is not fair. Let us bring it all up to the same standards.

As an alternative to prosecution and with my background, I think this is a very key item in times of restraint. In the current climate of restraint, we need simple, efficient, cost effective ways for dealing with industries that do not comply with the regulations for food health and safety. Bill C–61 provides a fair but quick and expedient method for responding to regulatory violations.

The administrative procedure provided by Bill C–61 is an alternative to prosecuting regulatory offences in the provincial courts. It is faster and far less costly to both the department and the offender. We have to also remember the offender has to put up the cost of legal counsel and is away from the business, et cetera.

Administrative penalties are another step in the decriminalization of regulatory infractions. Unlike the situation where regulatory principles are prosecuted by the courts, Bill C–61 creates a decriminalized system. It does not provide for imprisonment or receiving a record of conviction of an offence. We do not want to make criminals out of these people, but we do want them to comply.

• (1245)

Administrative monetary penalties are a much fairer way of enforcement we for most regulatory infractions. When it hurts in the pocketbook, it hurts. A record may be a stigma in perpetuity, but when you have to come up with some hard cash out of our pockets we often think twice, and deservedly so.

Another aspect is negotiated settlement possibilities. This allows for negotiated solutions to non–compliance. What we really want them to do is comply. Even the monetary penalties can be reduced to zero if they would use the money to buy corrective equipment. Immediate action to correct the situation is much better than money into the coffers of the judicial system.

I might address some of the motions that have been put forward. Dealing perhaps with Motion No. 3, to vary the maximum penalty between first and subsequent violations, the current maximum penalties are relatively modest when we look at them. The bill does not make any distinction between first and subsequent violations for the purposes of setting a maximum penalty that could be assessed. However, the regulations will determine a base penalty in the range amount and circumstances under which the penalties may be increased or reduced.

Compliance history is one of the factors we set out in the regulations. Penalties will be reduced for violators with no previous history of non–compliance and increased for those who commit subsequent offences, as they deservedly should. Under subclause 4(3) of Bill C–61 penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation, and the compliance history of the person who committed the offence.

Perhaps I could address Motion No. 4. The purpose is to have a notice of violation identify the designated person serving the notice. Service is an essential point of any court proceeding, and sometimes technicalities arise on service that result in the offender walking from the situation.

The bill allows that a notice may be served by various means. That is progression. The server of the notice may not necessarily be the designated person. By definition, the designated person is the person who issues the notice. Service of the notice is a procedural matter and is best addressed by maintaining a degree of flexibility. We want to be flexible.

The bill allows that the matter of service of all documents, including notices, will be addressed by regulations. For example, the regulation will make provision for service in person or by registered mail. We have these procedures in other court systems, in family law, et cetera. That is not unreasonable.

The purpose of Motion No. 5 is to legislate a minimum of 45 days within which a penalty may be paid. Again I suggest that this is a procedural matter which could be determined by the regulation. To put a time frame such as this in legislation really is impractical. It makes it very difficult to make changes in the event that the penalty could not be paid within the time frame.

Procedural details are generally contained in regulations or in policy documents. That is where they belong. The regulation making process really is open and fair. The preparation and drafting of regulations includes consultation with industry and the prepublication of the regulations in *The Canada Gazette* to give everyone sufficient notice. The process will ensure that a reasonable time frame is put in regulations for the payment of a monetary penalty. They will not escape. We have to be reasonable. Forty–five days may not be, as the minister of agriculture has suggested.

Motion No. 18 seems acceptable to us. The object of the motion is to clarify that expenses recoverable by Her Majesty in respect of the disposal of forfeited goods are reasonable. We want to be reasonable and we accept this motion as certainly reasonable in that situation.

The purpose of Motion No. 19 is to enable a violator to rely on the defence of due diligence. Bill C–61 allows for the issuance of monetary penalties based on absolute liability. That situation happens when the department only needs to prove that the alleged violator committed an act that was in violation of the regulations. The bill does not allow for the defence of due diligence by which a violator can avoid liability for the offence by establishing that he or she was not negligent.

• (1250)

Under Bill C–61 there is no possibility of imprisonment. There is no record of conviction for an offence. Penalties are modest rather than punitive in nature. Because of these factors there is no constitutional or other legal impediment to proceeding on the basis of absolute liability.

From a policy perspective, the use of absolute liability is essential to encourage the food industry to exhibit a high standard of care. This is important for matters involving the food chain and is consistent with the approach of courts in civil matters. The concept of absolute liability is important to the effectiveness of the system as a preventive measure.

We had the situation of some children being allergic to peanut butter. There was a very important incident where a young lady reacted to peanut butter and died rather quickly.

The Deputy Speaker: The hon. member's time has expired.

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 nays have it.

And more than five members having risen:

The Deputy Speaker: Under the standing orders, a recorded division on the motion stands deferred.

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.

And more than five members having risen:

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

The next question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: A recorded division on the motion stands deferred.

The next question is on Motion No. 18. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Deputy Speaker: I declare the motion carried.

(Motion No. 18 agreed to.)

The Deputy Speaker: The next question is on Motion No. 19. 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 the standing orders, a recorded division on the motion stands deferred.

• (1255)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 20

That Clause 19 be amended by striking out line 19 on page 11 and substituting the following:

"violation are reviewed by the Minister or by the Tribunal, the Minister must".

Motion No. 23

That Bill C–61, in Clause 29, be amended by adding after line 37, on page 14, the following:

"(3) For greater certainty, no lobbyist or party to a contract with the public service of Canada shall be appointed as a member of the Board or the Tribunal."

He said: Mr. Speaker, our caucus should have discovered the word reasonable a long time ago. Perhaps we would have more good laws passed in the House of Commons. I wish we had used that in Bill C–68, the gun control bill. We probably would not have had registration. And maybe we would not have had Bill C–64 introduced at all.

In any event, back to Bill C–61. I appreciate support from the other side for a couple of my amendments, which were reasonable, included the word reasonable and were adopted by the House.

We have now moved on to the fourth group of motions. I will address Motion No. 20, which deals with clause 19. It strikes out line 16 and substitutes the following: "violation are reviewed, the minister or the tribunal". Currently in this clause it is stated: "In every case where the facts of a violation are reviewed, the minister must establish, on a balance of probabilities, that the person named in the notice of violation".

This ensures that the facts of a violation should be reviewed both by the minister and by the tribunal. It is not a matter of either or, but in fact it is both. This again is a common sense amendment. It ensures that the burden of proof is on the minister in the case of a ministerial review. It ensures that there is burden of proof on the tribunal when a case of a violation is referred to the tribunal. This is just good common practice. It is sensible. It again puts some qualifiers and quantifiers into the legislation to make it not only effective but also balanced and fair.

I cannot see why members on the opposite side would have any problem whatsoever with this amendment. Therefore I encourage them to support it.

Moving on to Motion No. 23 which deals with clause 29, this motion adds after line 37 on page 14 a new subclause (3), which would say: "For greater certainty, no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal".

The clause prior to that says: "A member of the tribunal shall not accept or hold any office or employment that is inconsistent with the member's duties or take part in any matter before the tribunal in which the member has an interest". We certainly support that clause, but it does not go far enough. All it says is that a member of the tribunal shall not be able to enter into a contract with the federal government. What it does not preclude though is the actual appointment to the board of a lobbyist or someone with a contract with the public service.

We have had a rather negative light cast upon government and upon politicians for quite some time because of the ethics we impose upon ourselves. That perhaps might be better stated as a lack of ethics we impose upon ourselves. Yes, there are conflict of interest guidelines. There has been some question as to the effectiveness of the conflict of interest guidelines currently, even upon us as members of Parliament. There is concern in the public sector that conflict of interest guidelines be rigid, clear and enforced.

• (1300)

Other legislation precludes members of Parliament or members of provincial legislatures from serving on a board or body such as this tribunal. However what is not precluded is the fact that lobbyists, people who are working for the public service and have a vested interest in the work of the tribunal, are currently not excluded from appointment. This dips into the whole area of patronage appointments that is repulsive to Canadians. It seems that lobbyists have an inside track and are able to have influence behind the scenes far beyond their worth.

I suggest the House support Motion No. 23 that goes one step further than the conflict of interest in clause 29(2) by stipulating that no government lobbyist or person who has a contract with the federal government may be appointed to the tribunal. I appreciate the progress we have made this morning.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I will deal with the two motions in Group No. 4.

On Motion No. 20, again showing how reasonable we are, I agree with the motion. The amendment possibly brings a little more clarity to the bill. It clarifies that the minister carries the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation committed the violation. This is precisely what the current wording of the bill provides. I have no objection to accepting the proposed amendment; maybe it clarifies the matter a little further. It shows how reasonable we are on this side of the House.

The intent of the legislation is to set up the administrative monetary penalties act. At present an inspector with responsibility for enforcing the agri–food act determines there has been an offence under the statute. There has been much mention that he or she should proceed through the criminal justice system to obtain a penalty for the offence. The inspector must file a complaint with the attorney general who will, where appropriate, commence proceedings against the offender.

Currently whenever a penalty is sought, the entire judicial system must be brought to bear regardless of the seriousness of the offence. The expense and delay inherent in the procedure are often disproportionate to the particular offence. In some cases the fines imposed are very small and in other cases they create a criminal record, which is perhaps too severe a penalty.

In terms of seeking an alternative the government established a system of administrative monetary penalties so that an inspector who determines there has been a violation of the agri–food act could impose a fine on the offender immediately rather than proceed through the judicial system. Basically the government is creating efficiencies in government, being fair and reasonable to all and protecting the interests of the public under the act.

I will mention a couple of points and why the minister must carry the burden of proof. There is a lot at stake and it is important the minister carry the burden of proof. The administrative monetary penalty system will be one that allows the FPI to levy monetary penalties for non–compliance with branch acts and regulations. As has been mentioned by others in the debate, it is less costly, would not tie up the court system and creates a great deal of efficiency.

• (1305)

The administrative monetary penalty system will lead to more equitable enforcement of regulations by allowing the department to take effective action against importers and domestic companies marketing products that do not meet Canadian health, safety and quality standards.

As the system starts to evolve, the industry will recognize the pressure the new system puts on it. The industry will continue to comply with the regulations without having to get into any great enforcement measures. That is important. That is the objective of the system. The criminal prosecution system will remain an option and is available should it become necessary.

It is important that monetary penalties can be offset through compliance agreements. The proposal is to reduce the fine by $1 for every $2 a company spends on new equipment, process changes or staff training to prevent the recurrence of non–compliance. That is also an incentive for the industry to comply with the regulations. In this way the system emphasizes compliance, not punishment for behaviour, which is certainly a great step in the right direction. The administrative monetary penalty system fits with the government's regulatory review agenda to improve regulatory effectiveness and decriminalize most regulatory offences.

The intent of Motion No. 20 is a good one and can be supported. However Motion No. 23 is a horse of a different colour and I cannot support it. The amendment provides that "no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal".

The bill requires that members of the tribunal have technical qualifications related to the areas of agriculture and agri–food and are not in positions of conflict of interest relative to the matter before them. In addition, it has been clearly set out that no member of the tribunal may be employed in the Public Service of Canada.

The intent of Motion No. 23 is taken care of in other ways. If one were to incorporate the amendment, in essence it would make the legislation more cumbersome. In effect Motion No. 23 is unnecessary and I have to oppose it.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, in dealing with this group of amendments I will address two related and relevant issues.

Our efforts to fine tune the legislation in the House and earlier in committee have been primarily directed toward ensuring a proper balance between the rights and liberties of Canadians in the sector we are dealing with and the administrative exigencies as they evolve in the agricultural sector. Because we are dealing with food, in many cases some of the exigencies tend to be relatively urgent and require a prompt solution as opposed to a slow, administratively cumbersome solution.

• (1310)

As we strive to seek that balance in the House with the legislation, we must keep in mind that the House realizes it cannot, as is sometimes said, micro–manage the sector. We simply do not have the ability to micro–manage in all detail everything that goes on in a particular field. That is why the House by way of regulation delegates authority to administrators in government to make regulations which deal in a more specific way with the exigencies in the field.

Even then it is tough. Even then it is probably impossible to micro–manage. Many decisions that have to be made are being made in a warehouse at a border. Perhaps they are being made in a barn somewhere by inspectors and people who are growing and transporting the commodity. We ought to resist the urge in the House to overly micro–manage the field, and that is why we delegate.

We are trying to find that balance in the House and that is tricky. There is a further challenge for Parliament. Every time we delegate we say that we are giving authority or power to an official of the government. That official, in concert with the department, will be making decisions about property of others and what others can or cannot grow and transport in this field.

The challenge for Parliament is not so much today; it is down the road. We have a committee that deals ex post facto with the regulatory authority delegated by the House, the Standing Joint Committee for Scrutiny of Regulations. The more the House delegates, the more work there is for the standing joint committee. Given the large degree of delegation taking place under this statute, I see a further challenge for the standing joint committee to deal with the scrutiny of this type of regulatory delegation.

One criteria of the committee is described as the unintended or unexpected use of power. I agree it is perhaps a little fuzzy. However, should an official, the department, the minister or the cabinet at some future date authorize the taking of a step that could be construed as an unexpected or unintended use of power, the committee would point it out to the House. The committee also has the power of disallowance which it has used a half a dozen times in the last four or five years. It prefers not to do so. It is a procedure the House would rather not have the committee use but when necessary it does so.

To the extent we are delegating and trying to fine tune that delegation, there will remain to a greater or lesser degree a significant challenge to the committee structure created by the House in reviewing the appropriateness of the use of the authority and power we delegate.

• (1315)

It is not to detract from our efforts here to find the right balance between rights and liberties and administrative efficiency.

I think all members have the same view and I will continue to participate in this debate in the hope that we achieve the proper balance so the administrators, the minister, the deputy ministers, departmental officials and the cabinet will have the right tools and the right balance so our citizens will get the best services and the best considerations under this statute.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Madam Speaker, I appreciate the opportunity to once again address some of the motions by members from the other side of the House in relation to the agriculture and agri–food administrative monetary penalties act.

The purpose of the bill is to allow for expedience and resolution to breaches of regulations in the agriculture and agri–food industry. It is designed to make it a lot easier for the department and those involved in breaches of regulations to resolve their difficulties.

It is designed to ensure we get compliance with the regulations as soon as is reasonably possible. The bill does not inhibit the rights of people accused of violating the respective statutes to have the option to gain the full procedural and substantive protection that can be gained from the law if they so choose to defend themselves in traditional fashion of court hearings and due process. This is still available to those who violate the act.

The purpose of Motion No. 20 according to hon. members opposite is to clarify that the minister and the Government of Canada carry the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation committed the violation. This is certainly what the current wording of the bill provides for.

We have no objection to this amendment. This is another amendment the minister has accepted from members opposite. This shows a responsible attitude by the minister of agriculture in the sense that where there are amendments that enhance the act, where there are amendments that do not do any harm to what is sought to be accomplished by the act, regardless of who brings them forward, if they improve the legislation and make it a bit clearer, the government is certainly willing to hear them.

The legislation makes clear that the minister carries the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation is the one who committed the violation. This goes back to one of the fundamental bases of the Canadian justice system of due process. The system is based on many administrative procedural protections granted to people who run afoul of regulatory or sometimes even criminal law.

• (1320)

Our common law system has always sought to protect those accused of violations, whether regulatory offences, criminal offences such as under the highway traffic act, provincial offences or somewhere in between. Our legal system always provides safeguards to the person accused of the violation commensurate with the penalty and the seriousness of the breach involved.

Our justice system on a very fundamental basis seeks to ensure innocent people are not convicted or not held responsible for violations they did not participate in. That is why within the common law I do not think there is even any need to suggest the minister carry the burden of proof. The state in matters of breaches of criminal violations, regulatory violations and provincial statute violations always carries the burden of proof.

It is probably better that a few guilty people are acquitted rather than innocent people being subjected to the raw power, the sanction of the state when they were not guilty of what they were charged with.

In relation to the first motion, we are accepting it. The fundamental principles of Canadian law that the minister carry the burden of proof is simply a foregone conclusion and one we accept. This is not the case in all countries. Sometimes one is presumed guilty and must prove one's innocence. In Canada, the British Commonwealth system, the common law system, different considerations apply.

Motion No. 23 of Group No. 4 seeks to provide that no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal.

The government in appointing individuals to these tribunals always appoints well qualified people who are known for their fairness so that people can trust the correctness of the decisions made by these tribunals. Each of these appointments is very carefully weighed. The people must be qualified in order to participate in these issues.

Once again common law clearly requires that people with a conflict of interest not serve on boards or tribunals such as this. As has been the track record of the minister to date in other appointments, as well as other ministers in other departments, the people sought to be placed in positions like these are qualified people. They will carry out their duties in a manner that will respect the government and the people accused of various violations of agriculture and agri–food penalties.

• (1325)

No one in a conflict of interest will end up on these tribunals. They are quasi–judicial bodies and as a result will have to be above reproach. Common law provides many administrative remedies that could be taken through the courts should there be any reasonable apprehension of bias or other grounds on which the decision of the appointed person could be put in question.

People with these types of connections will simply not be appointed. If a situation arises in which there could be any type of conflict whatsoever, administrative law procedures are available through the courts to ensure people who are being judged in this fashion are fully protected.

While Motion No. 20 says exactly what the bill says and follows the philosophy and basic underpinnings of the law in Canada, the minister will be accepting a recommendation to further clarify and ensure the law is clear and known.

With respect to the second motion, this will be taken care of in the same manner the government has done to date. Remedies are available to anyone who feels aggrieved by a decision, who feels there may be a problem, to deal through the courts with such an issue.

I again thank the minister for his efforts in bringing these changes forward, changes that will certainly improve the—

The Deputy Speaker: The hon. member's time has expired.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to speak in support of Bill C–61.

This bill adds to the enforcement option available to certain legislation administered by Agriculture and Agri–Food Canada by allowing administrative monetary penalties to be imposed. The bill also authorizes the minister, if requested, to conclude compliance agreements with persons who commit violations.

Under compliance agreements, administrative monetary penalties can be reduced or cancelled if persons agree to take the appropriate steps to ensure future compliance with agri–food acts and regulations. The administrative monetary penalties are subject to review by an independent tribunal. Now every contravention can currently be prosecuted.

The bill gives the minister an administrative option where prosecution is seen to be too harsh a measure. In arriving at his decision the minister will be guided by a compliance and enforcement policy—I underline the word policy because it gives broader perspectives—that establishes the criteria to guide the department in making decisions on the use of all enforcement controls or options.

The policy is a public document. The choice to be made by the minister of whether to prosecute or issue a monetary penalty is akin to a prosecutorial choice. It is such as we would find in a criminal case in which the decision is made on whether a matter should proceed by way of indictment or by summary conviction. Because the choice is heavily dependent upon the facts in each situation, flexibility is required. This flexibility is best offered by relying on policy rather than regulations.

• (1330)

It has always been the intention to administer this bill in a reasonable manner. We on this side of the House are happy to accept this approach to the bill. However, compliance agreements form an integral part of the proposed scheme. The object of the scheme is to obtain compliance rather than to penalize the violator. It is a common sense approach to bring those who are the users into a compliance mode without using the heavy hand of the law or penalties.

By authorizing the department to enter into these agreements the bill gives the department a tool to negotiate the implementation by industry of measures that would change the violator's practices and processes. The emphasis here is on change. At the same time, the violator may pay a reduced penalty in exchange for committing funds to effect the necessary improvements leading to future compliance. The bill provides that kind of flexibility.

Compliance agreements result in immediate corrective action which is the desired result of the bill. Of course, immediate corrective action leads to a better product, improved health and safety, and more effective enforcement. Compliance agreements are optional and no one is forced to enter into them. The bill provides an incentive to enter into compliance agreements by making it possible to reduce the amount of monetary penalty.

The nature of the bill is to achieve compliance. For those who do not comply and who are found out, they are counselled into compliance. If they do not comply, the second stage is enacted. The nature of the bill is to encourage people to comply.

Current maximum penalties are relatively modest. The bill does not make a distinction between first and subsequent violations for the purpose of setting a maximum penalty that could be assessed. However, the regulations will determine a base penalty amount and the range and circumstances under which the penalties may be increased or reduced. The regulations will determine a base penalty amount and the range and circumstances. The compliance history will be one of the factors set out in the regulations whereby penalties will be reduced for violators with no previous history of non–compliance. Again, it is the nature of the action. If there is a perceived resistance to compliance the enforcement of the regulation is the only tool the government has.

Penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation, and the compliance history of the person who committed the violation. Flowing through this is a series of steps that is known in law as the law of natural justice. Was this a one–shot affair? Was there fair warning? Was there counselling? That is the rule of the land in our country: no one is caught out the first time. In that sense it shows fairness. If it is not fair, the person who is charged has the right to appeal.

I had the opportunity to sit through the clause by clause deliberations in committee. A number of very good concerns were raised, mainly by the opposition but from the government side as well. I see that some of them have been incorporated in this bill. It speaks for the bill having some input from members who are not of the government party.

• (1335)

I see this adhering to the laws of natural justice and due process is outlined clearly in this bill. I would like to review a few points in the bill that may give it a bit more light.

Bill C–61 allows for issuance of monetary penalties on the basis of absolute liability, that is where the department needs only to prove that an alleged violator committed an act that is in violation of the regulations. The bill does not allow a defence of due diligence by which a violator can avoid liability by establishing that he or she was not negligent.

Under Bill C–61 there is no possibility of imprisonment, no record of conviction for an offence is created, and penalties are modest rather than punitive in nature. Because of these factors, there is no constitutional or other legal impediment to proceeding on the basis of absolute liability.

From a policy perspective, the use of absolute liability is essential to encourage the food industry to exhibit a high standard of care, which the people of Canada expect. This is important for matters involving the food chain and consistent with the approach the courts take in civil cases. The concept of absolute liability is important to the effectiveness of the system as a preventative measure.

Let me give an example of the standards necessary in the food chain. To someone with peanut allergies, even a minute amount of peanut dust is enough to send them into an anaphylactic shock. To such a person, the issue is not whether a company exercised due diligence. When we see the breakout of products, even when we have HP sauce included, it is far more detailed than any other country I know of in this world. As a preventative measure, finding that a product is mislabelled in not indicating the presence of peanuts in itself warrants finding liability. That is presently in the law.

The focus of Bill C–61 is on preventative and remedial action and not in finding of fault. The use of absolute liability is also provided for in an effective and efficient enforcement system.

The resource base for enforcing regulations is shrinking. Bill C–61 deliberately designs a simple and efficient system to deal with those importers or domestic companies that do not follow our health, safety, and quality regulations. It is worth mentioning that although the due diligence defence does not apply, other common law defences are available to a person to whom the notice of violation is issued.

Bill C–61 is in my judgment a fair bill, presented and debated openly in committee. It follows the natural laws of justice and includes due process. On that basis, I give my full support to this bill.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I have just a couple of brief comments about the group of motions we are now considering, Group No. 4, which deals with Motions Nos. 20 and 23.

With respect to Motion No. 20, the purpose of this motion is to clarify that the minister of the day essentially carries the burden of proof under this legislation in both the ministerial review process and the review by the tribunal that is proposed under this legislation, the burden of proof that the person named in the notice of the violation in fact committed the violation.

• (1340)

That is how I understand the meaning and intent of the member for Kindersley—Lloydminister in putting forward this motion. I can say without any shadow of a doubt that if I have understood his meaning correctly, that is precisely what the intention of the government is in the wording that is presently proposed in this provision in Bill C–61.

Again in the spirit of co–operation that we demonstrated earlier today in other clauses of this bill, if it is the view of hon. members that inserting the wording proposed in Motion No. 20 clarifies this point, makes it more certain, more definite, I certainly have no objection to accepting this proposed amendment. It is completely consistent with the government's intention in the first place.

I suppose legal scholars and draftsmen could have some interesting discussions about how pretty the language is. Those superficial arguments notwithstanding, the meaning and intent on both sides of the House on this point are absolutely consistent. I have no problem with the amendment the hon. gentleman has put forward.

With respect to Motion No. 23, I do have a problem with this amendment. The manner of appointment for members of the review tribunal by the governor in council that is set out in the version of Bill C–61 that we have before us at the present time follows a well established practice. It is a practice that has been endorsed in this country by the courts of law, assuring the independence of the tribunal from outside interference.

The bill requires very clearly already, without the amendment that is proposed in Motion No. 23, that members of the tribunal have the necessary technical qualification related to the area of agriculture and agri–food and are not in any position of conflict of interest relative to any matters that may come before them for adjudication. In addition, specifically, no member of the tribunal may be employed in the Public Service of Canada.

Those provisions that are already in Bill C–61 adequately cover the point that has been raised by my hon. friend in his Motion No. 23. Therefore I think Motion No. 23 is unnecessary. It could, depending upon legal interpretation, add some uncertainties to a situation, which I am sure my hon. friend does not intend. I presume his intention is to make things more certain and not less certain. With the greatest of respect, we would be better off, in connection to the subject matter to which Motion No. 23 pertains, to leave the draft language as it stands now and reject Motion No. 23. The substance of Motion No. 23 is already otherwise covered in the legislation.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 20. 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.

• (1345)

An hon. member: On division.

(Motion No. 20 agreed to.)

The Deputy Speaker: The next question is on Motion No. 23. 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: A recorded division on the motion stands deferred.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 21

That Bill C–61, in Clause 29, be amended by replacing line 5, on page 14, with the following:

"nor in Council with the approval of the committee of the House of Commons that normally considers agricultural matters, one of whom shall be ap–".

Motion No. 22

That Bill C–61 in Clause 29 be amended by adding immediately after line 6, on page 14, the following:

"(1.1) No person may be appointed to the Tribunal by the Governor in Council without the prior approval of the committee of the House of Commons that normally considers matters relating to agriculture."

He said: Mr. Speaker, I am pleased to participate in the debate on Bill C–61, the Agriculture and Agri–Food Administrative Monetary Penalties Act.

I will explain Motions Nos. 21 and 22, on behalf of the Bloc Quebecois. These motions seek to limit the discretionary power of the Minister of Agriculture and Agri–Food.

Clause 29 of Bill C–61 provides that the chairperson and members of the review tribunal are appointed by the governor in council. Motion No. 21, tabled by us, provides that Bill C–61, in Clause 29, be amended by replacing line 5, on page 14, with the following:

"nor in Council with the approval of the committee of the House of Commons that normally considers agricultural matters, one of whom shall be ap–".

As for Motion No. 22, it provides that Bill C–61, in Clause 29, be amended by adding immediately after line 6, on page 14, the following:

"(1.1) No person may be appointed to the Tribunal by the Governor in Council without the prior approval of the committee of the House of Commons that normally considers matters relating to agriculture".

These proposed changes seek to establish a more transparent process regarding the appointment of the tribunal's members and chairperson. We cannot let the minister appoint members alone. I strongly objected to that a few moments ago. If he so wishes, an offender could be heard by the review tribunal.

In its present form, the bill provides that members of this tribunal are appointed by the minister and that their mandate can be renewed. These members must review decisions made by department officials who, of course, are accountable to the minister. Earlier, I alluded to possible conflicts of interest, and I still think that such a risk exists.

Could people appointed by the minister be pressured into making decisions which they would not otherwise make? No matter how small the risk, we simply cannot take that chance. It would make a lot more sense if members of the tribunal were appointed by the Standing Committee on Agriculture and Agri–food, after reviewing whether or not certain issues posed problems in terms of how they were dealt with.

We simply want to avoid any risk of arbitrary decisions or patronage appointments. We understand and accept the principle underlying that bill, but we oppose any compliance agreement or arbitrary appointment by the minister.

This is why we are asking this House to at least support the amendments proposed by the Bloc Quebecois. I certainly hope that we are not the only ones here who seek transparency.

• (1350)

[*English*]

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, we are now dealing with amendments brought forward in group No. 5, Motions Nos. 21 and 22, in relation to Bill C–61, the agriculture and agri–food administrative monetary penalties act. I appreciate the opportunity to address the matter.

The purpose of Motions Nos. 21 and 22 is to change the process of appointing members of the review tribunal by having the governor in council appointments approved by an agriculture related committee of the House of Commons before the appointments are effective.

A point that should be made with regard to this matter is similar to one made in relation to an amendment brought

forward by the Reform Party that the current appointment process and the one in the present bill and as stated by the Minister of Agriculture and Agri–Food is a tried and true process, one approved by the courts. The courts posses the ability to ensure that all decisions are according to the administrative law of the land.

It is proposed that an agriculture related committee approve the people who are put forward to sit on these tribunals to hear disputes between the regulators and those who may have run afoul of various agriculture and agri–food regulations pursuant to a number of acts. What is being proposed will make the procedure more cumbersome. The whole intent of the legislation is to find efficiencies in the way the government does business, to make the process cheaper, to ensure that the rules of fundamental administrative justice can be achieved and that it is balanced with administrative ease.

In my view, the proposal adds to the cumbersome nature of the appointment process. The time required to deal with the appointments will be increased. The committee could refuse to recommend any of the incumbents to these positions thereby effectively preventing these positions from being filled.

It is also important to say that this represents a move toward a more American style hearing process for the approval of various appointments to positions.

If we look south of the border we see these monstrously expensive, cumbersome processes to appoint various individuals. These individuals are subject to such scrutiny, they are basically put in a position where they are unable to defend themselves from the most vicious, partisan types of attacks.

This takes away from the dignity of a person sitting on a quasi–judicial body. It makes it difficult for people of good quality to want to subject themselves to this type of situation. Even if they are good people and are willing to submit to this type of interrogation and partisan attack on their credibility, whether or not they make it through the process, they will not be what is needed to maintain the respect of both the government regulators and the people who have run afoul of various regulations in various agricultural statutes.

There are a number of reasons I am opposed to these types of situations arising. The situation we have now is tried, it is true. It has been upheld by the courts as a method of approving these people. It takes away from the partisanship which could really detract from the dignity of the process, the dignity of the office of the person participating and assisting the country.

The Speaker: It being two o'clock we will proceed to Statements by Members.

S. O. 31

STATEMENTS BY MEMBERS

[*Translation*]

NATIONAL UNITY

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, recently I attended a meeting of the mayors from the Toronto region. At this meeting, 30 mayors and five regional chairmen unanimously passed a resolution expressing their desire for a united Canada that includes Quebec.

The resolution reads as follows: "whereas, the mayors of the greater Toronto region have recognized and approved, by the very fact of their meeting, the strength and benefits that unity provides; whereas the unity of Canada and its people enhances the strength of and the benefits accruing to each of our regions; whereas approximately four million residents of this region have, together with the people of Quebec, built this great country of ours; therefore it is resolved that the mayors of the greater Toronto region, on behalf of its residents, express their desire to support the unity of a Canada that includes Quebec".

As the Prime Minister said last night, this is not only a battle for the future of Quebec, it is a question about the future of Canada.

* * *

REFERENDUM CAMPAIGN

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, the vision of doom and gloom of the No side has just been refuted in a report released by a major American brokerage house. Indeed, the New York firm of Donaldson, Lufkin and Jenrette argues that, should the sovereignty option prevail, first, the credit rating of the Quebec government would not be affected, second, market uncertainty would be short–lived, and third, the economic situation would remain stable.

This is similar to the findings of a recent study undertaken by the advisory director of the fourth major commercial bank in the United States, who said, and I quote: "In conclusion, according to the rating and the views of the capital markets, if the people opt for sovereignty, the most likely result would be between neutral and positive".

The fear tactics used by the No side are no longer credible and do not scare anyone any more. Quebec now has all the assets to face the future and take control of its economic levers.

S. O. 31

[*English*]

KID BROTHER CAMPAIGN

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I want to share the thoughts in a letter sent to me from Tom Arnbas of the Kid Brother Campaign.

> On behalf of my family and the 300,000 Canadians who signed our Kid Brother Campaign petition, please accept my deepest thanks. With your support and the understanding of people such as you, I am sure we will be able to get the changes we want to this ridiculous Young Offenders Act.
>
> Mr. Thompson, when you speak with the justice minister, please make sure he knows Canadians believe our government provides very little justice for victims of serious crime.
>
> If the minister personally experiences the pain my family is going through, I am sure he'd want the criminals to be punished.
>
> The minister's staff tells people I am putting on a theatrical performance, but you know nothing could be further from the truth. We are real people, my brother was really murdered and it seems our justice system doesn't care.
>
> My family wants to know, what we can do to make Mr. Rock understand.

That is the same question every Canadian is asking.

* * *

CANADA POST

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, a trucking company in Winnipeg which carries Canadian mail is planning to reroute a significant amount of its traffic between Montreal and Winnipeg and Toronto and Winnipeg through the United States. Test trips are soon to begin with exact locations for refuelling laid out in detail to take advantage of savings in fuel costs.

This raises a number of issues. There is the issue of the higher than necessary cost of gasoline in the country and the government's refusal to lean on the gas companies to take less of a profit. It also shows how the free trade mentality has changed our ways, eliminating borders in our minds as well as on paper.

In a week when we are properly talking about our love for Canada, what are we to say of the fact that Canadian mail addressed from one part of Canada to another is being rerouted through the United States, thus eroding the tax and economic base that funds things like medicare?

If we want to be a country we should start acting like a country.

[*Translation*]

NATIONAL UNITY

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, on September 27, the Regional Municipality of Ottawa–Carleton affirmed through a unanimous resolution its pride in its bilingual character, going back to pre–Confederation time.

The citizens of the National Capital area are proud of the fact that their communities on both sides of the river reflect the duality of this great country of ours. Populated for more than 170 years by the two founding peoples, the capital is the symbol of what the Prime Minister was saying last night, that citizens of different languages, cultures and origins can live together in harmony.

Like the Ottawa–Carleton region message to Quebecers, I truly hope that they vote no on October 30. I urge them, like the Prime Minister yesterday, not to break our bonds of friendship and understanding, our bonds of mutual trust.

* * *

QUEBEC REFERENDUM

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, last night, two very important messages were delivered to the people of Canada. On the one hand, they heard the Prime Minister of Canada calmly but seriously describe the country's situation as the referendum date approaches and what major impact a Yes victory would have.

On the other hand, they saw the separatist leader of the Bloc Quebecois revile another Quebecer, one who stands up for a strong Quebec within a united Canada. The Prime Minister talked about understanding, openness and positive changes, while all his opponent talked about was resentment, bitterness and revenge.

On October 30, Quebecers will dismiss this message of destruction and vote No.

* * *

QUEBEC REFERENDUM

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, the people of Quebec must understand that a Yes victory in the October 30 referendum will take away forever all the benefits associated with belonging to the Canadian family.

If Quebec separates, this means that never again will Quebecers be called Canadians. Never again will they benefit from the international recognition and respect that go with the Canadian passport. Never again will they be able to move as freely in Canada as their brothers and sisters from the other provinces and to trade as freely as they used to with them.

A victory for the Yes side will have untold but deeply felt consequences for Quebecers. On October 30, the Canadian dream must be kept alive by saying No to separation.

[*English*]

QUEBEC REFERENDUM

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I am a Canadian. It is my wish that Quebec remain a part of Canada. To Quebecers I say this is their home. We are a nation from sea to sea to sea. The very ideals they search for are to be found within these borders, not beyond. However the upcoming referendum to be held on October 30 will decide whether Canada is 10 equal provinces or two nations.

All provinces should have certain rights. Reformers believe the federal government should withdraw from provincial areas such as natural resources, manpower training, language and culture, housing, et cetera. As an equal province Quebec can work within our country for a new federalism which will address its needs for change.

Quebecers are not the only ones looking for change. People in other parts of Canada are looking for change as well. I hope on October 30 that Quebecers will vote to stay in Canada.

We are a family with many strong differences like all families. Surely members of a family of goodwill can sit down and be imaginative. There is a federalism to redefine and a good nation to save.

* * *

• (1405)

[*Translation*]

QUEBEC REFERENDUM

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the polls indicate that a number of people are set to vote Yes in the October 30 referendum thinking—can you imagine—that this will lead to the renewal of Canadian federalism.

Nothing could be further from the truth. A Yes vote in the referendum will not bring constitutional changes. Instead, it would bring change and development to an end. It would spell the end of Canada.

On October 30, those who want to remain Canadians and who want Quebec to remain a part of a modern and prosperous Canada will vote No.

Change will come from the No side; this option is the only one allowing Quebec to remain in Canada. The Yes side has nothing to offer, except breaking up our country and tearing it apart, and Quebecers do not want that to happen.

* * *

QUEBEC REFERENDUM

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, in his address to the nation, the Prime Minister said that the vote on Monday will determine the future not only of Quebec but also of Canada as a whole, adding that the consequences of this decision cannot be foreseen or measured.

This is a very serious warning. It clearly shows what is really at stake in the referendum. On Monday, the people of Quebec will not be voting on some way of renewing federalism or on a vague offer of partnership. They will have to decide whether or not they want Quebec to break away from Canada and become a foreign country. They will have to decide if they are prepared to abandon their history and heritage.

The people of Quebec must know that by voting Yes on October 30, they will become strangers in their own land.

* * *

QUEBEC REFERENDUM

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, having reviewed his position, Laurent Beaudoin now says that Bombardier will stay in Quebec whatever the results of the referendum on Monday. After trying to influence Quebecers' decision, Mr. Beaudoin, faced with the imminence of a Yes vote on October 30, changed his mind.

Laurent Beaudoin did not behave as a responsible businessman by using scare tactics to try to influence the decision of his employees and of all Quebecers. Bombardier will stay in Quebec because it is doing well there.

The prophets of doom were taught a lesson in maturity by Pierre Péladeau, who said yesterday: "I think that we as business leaders have no right to try to influence our people—Fear will not solve anything; we will not solve anything by trying to scare people". That is why Quebecers will vote Yes with confidence next Monday.

* * *

QUEBEC REFERENDUM

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, on October 30, Quebecers will find themselves at a crossroads, having to make a decision on their future.

If they go right, they will vote against separation. It will be a vote against the status quo, a vote for the decentralization of federal powers and the end of the strongly undemocratic system in which we are living. This vote will put the provinces in control of their cultural and linguistic destiny.

If they go left, they will choose separation, thus causing a mass exodus of businesses, skyrocketing unemployment, and economic disaster.

I urge Quebecers to think about the future of their children and to join forces with all other Canadians in fulfilling our legitimate destiny, being the best country in the world to live in. Long live Canada, a united country.

[*English*]

The Speaker: With all respect I urge members not to use any props in the House of Commons.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, yesterday, one of the separatist leaders took the Prime Minister of Canada up on his offer to address all Canadians. But unlike the Prime Minister, who delivered the same speech to Canadians in both official languages, the Bloc leader had two different messages for Canadians.

• (1410)

In his French language speech, the separatist leader was content to put the past on trial and to accuse the Canadian government of all the problems in the world. In his English language speech, he chose to speak from the other side of his mouth. He portrayed himself as a good, mollifying neighbour hoping for open co–operation in the future.

Quebecers have wised up to the separatists' subterfuge designed to deceive them. On October 30, Quebec will say No to this vision, which comes in different French and English versions.

* * *

QUEBEC REFERENDUM

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the Prime Minister said this yesterday: "As you found out this week, political instability exacts a very heavy cost".

The past few weeks of the referendum campaign, and the past few days in particular, have clearly demonstrated how dramatically our economy can be affected by uncertainty and nervousness on the financial markets, in the business community and among small investors.

Canada offers stability, social peace and an ideal haven to anyone who wants to build and develop. By saying No to Quebec's proposed separation, the people of Quebec will vote for success, prosperity and security.

Canada is the only side that offers change while at the same time preserving stability and protecting what has been gained. That is why the people of Quebec will say no to separation.

PREMIER OF NEW BRUNSWICK

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, New Brunswick dropped a bombshell yesterday, when the legislative assembly led by Premier McKenna agreed to recognize Quebec's distinctive character.

It was Premier McKenna who, at the current Prime Minister's instigation, led the attack that resulted in the failure of the Meech Lake accord in the spring of 1990, going back without hesitation on the promise made by his predecessor. The very man responsible for the failure of Meech Lake would now have us believe that he recognizes Quebec's distinctive character. Just what does he take Quebecers for?

Quebecers will not again be deceived by this man who has lost any credibility he may have had. It is obvious that those who wanted to crush the side promoting change are panicking now.

* * *

REFERENDUM CAMPAIGN

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, in his address to the nation yesterday, the Prime Minister of Canada reiterated his commitment to bring about the changes Quebecers want.

He said, and I quote: "We must recognize that Quebec's language, its culture and institutions make it a distinct society. And no constitutional change that affects the powers of Quebec should ever be made without the consent of Quebecers".

This commitment by the Prime Minister of Canada is consistent with the No side's desire to be open and to effect change. This is a serious commitment, which opens up the most challenging prospects for Quebec and Canada the day after a No vote.

* * *

NATIONAL UNITY

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, I am addressing you today as a Canadian of British origin, who remembers the commitments made to the French in the Quebec Act, and as a Liberal, who is proud of the contributions made by Laurier, St–Laurent, Trudeau and Chrétien.

I am speaking as a Canadian from Upper Canada, who remembers how Papineau, Brown, Lafontaine and Baldwin made it possible for two nations to build a common future.

I am speaking as a Canadian who is afraid to see her country destroyed by a spell cast through fabrication, deceit and personal attacks.

If only I could just snap my fingers and free Quebecers from this spell before it is too late. We have shared too much to just drop everything.

Je me souviens. Indeed, I remember.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, two years ago yesterday over two million Canadians voted overwhelmingly for change by electing 52 Reformers. We have a vision for a new, revitalized country based on more effective democratic accountability, fiscal sanity, a justice system that works, and a decentralized federation that responds more effectively to regional and personal needs.

• (1415)

Today many Quebecers are considering giving up on Canada. I urge them not to do so. I urge them to vote no on Monday, to stay together as a country and to join with Reformers in all provinces to build a new confederation and a new Canada.

We believe in a strong country, a strong federation of equal people and equal provinces and less interference in our lives by a heavy-handed, intrusive federal government. We believe that power should be closer to the people. We believe profoundly that we need to build on our strengths, the highest of which is a deep commitment to understand and care for each other. Things do not need to stay the same.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday in his speech to the nation, the Prime Minister wanted to reach out to Quebecers by telling them, and I quote: "I have also heard, and I understand, that the disappointments of the past are still very much alive".

Could the Minister of Intergovernmental Affairs, on the basis of what we heard last night, tell us whether the Prime Minister, like the Minister of Labour yesterday afternoon in this House, hopes that before they vote in the referendum, Quebecers will forget what he did in the course of his career and consider only what he has done in the past two years which, in our opinion, is not any more reassuring?

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, our government has accomplished a great deal since it came to power. Between 1984 and 1993 we were not there, unfortunately, but in the February 1995 budget we announced a major shift toward decentralization. Through our program review, we have to restrict the role of the federal government in the various areas for which it is responsible.

Furthermore, in addition to offering the provinces a mechanism for reducing duplication, we signed 64 agreements to that end within the past 18 months, including a dozen agreements with Quebec.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs can go ahead and repeat his set speech which is meaningless to Quebecers. That is his privilege. He decides how to answer the question.

I would like to ask him this: Even assuming that Quebecers forget the Prime Minister's past, as he asked them to do, and consider only the last two years of his mandate, do the minister and his colleagues realize that every time the Prime Minister referred to the Quebec referendum question, he said it was not in the cards, he did not want any of it and even that we would get a drubbing?

Does the minister think this is the sort of thing that would make Quebecers trust him?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the opposition should be very careful when it attacks the past of a man who has dedicated more than 30 years of his life to politics and by whom the interests of Quebec and Canada were well served.

The people in the Bloc Quebecois and the Parti Quebecois and their separatist leaders have made a habit of attacking the person of the Prime Minister instead of sticking to the issues. They obviously have no more arguments of substance to prove that separation would be a good thing, so now they attack personalities. There is no doubt that the federation has evolved in a positive way in recent years.

The hon. member for Roberval says it is meaningless. Is it meaningless to acknowledge that the quiet revolution took place in Quebec within the federation, within Canada?

• (1420)

Is it meaningless to acknowledge that Quebec's language rights were asserted, protected and augmented in recent years within Quebec and Canada? Is it meaningless to point out that Quebec industrialists have managed to win back Quebec's

economy and play a far more important role than they did 20, 25 or 30 years ago, in Quebec and Canada?

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the man who is responsible for closing the Collège de Saint–Jean without justification has a tendency to talk about issues for which he is not responsible. Since he mentioned the Prime Minister's career and said the Prime Minister served Quebec well, allow me to quote the Prime Minister who said in April 1992, and I will quote him verbatim: "It is pretty obvious what happened. We did not try to shaft Quebec, but we did outsmart them".

Considering these comments about Quebec, does the Minister of Intergovernmental Affairs think Quebecers should trust the man whom the minister is defending and who represents the status quo for tomorrow, if Quebecers were to say no in the referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, first of all I may remind the hon. member for Roberval that Saint–Jean was one occasion when the ministers of the Parti Quebecois failed to deal with the problem. When the Péquistes could not agree, we made arrangements with the Conseil économique du Haut–Richelieu to keep the Collège de Saint–Jean open. That is the honest truth.

Second, the hon. member quoted what the Prime Minister of Canada said a few years ago. Perhaps we should ask the Leader of the Opposition what he said when he was a Conservative, or what he said when he was with the Union nationale, because he changed his position several times. What matters is the truth of what he said, not his position at the time.

As far as truth is concerned, I would really like to know why, when Mr. Bouchard, the Leader of the Opposition, spoke to the people of this country last night, what he said in English was so different from what he said in French?

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, most of the quotes attributed this week to the Prime Minister have come from his book, an interesting book worth reading.

In *Le Droit* on April 8, 1982, the present Prime Minister, Minister of Justice at that time, was quoted as saying he was not in the least surprised and was very pleased that the Quebec appeal court judges had been unanimous in rejecting Quebec's claim of entitlement to a veto.

My question is directed to the Minister of Intergovernmental Affairs. How could Quebecers today trust a Prime Minister who says that no constitutional change affecting Quebec's powers will be made without the consent of the people of Quebec, when that same man stated in 1982 that he was not in the least surprised and was very pleased that the Quebec appeal court judges had been unanimous in rejecting Quebec's claim of entitlement to a veto?

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 see that the opposition is unfortunately resorting to personalities and is attempting to assassinate the character of the Prime Minister. I feel this is a deplorable tactic. It is a tactic which lessens the credibility of the opposition when it is trying to convince people it has the ability to govern a country.

Because we have proven our ability to govern a country, proven our ability to make it fiscally responsible, something the PQ has so far refused to do. We have proven our ability to downsize government as was necessary, something the PQ government has not done. We have proven our ability to support the interests of Quebecers within Quebec, while the Official Opposition, Messrs. Parizeau and Bouchard, have no reality to offer, just promises.

• (1425)

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs is insulting the Prime Minister by saying that quoting him is character assassination.

The sovereignists are proposing that in future Quebec will negotiate with Canada, equal to equal, nation to nation, for the first time in history.

I am asking the minister to confirm that the federalist option is to see Quebec negotiate equal to equal, on the same footing as the other provinces, on the same footing as PEI and Newfoundland? That is their view of equality.

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, when the Parti Quebecois, in the person of its Minister of International Affairs, Bernard Landry, attacks the president of the United States for having stated his position with respect to Canada, when the members of the opposition are attempting to interpret everything said in such a way as to indicate their disbelief, for instance, that they do not believe the Canadian provincial premiers' offer of assistance with questions relating to the distinct society, one wonders. One wonders how they can believe they are preparing to negotiate with other NAFTA partners or other provinces of Canada when they spend all their time insulting them.

* * *

[*English*]

FEDERALISM

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, last night the leader of the Bloc Quebecois said again that federalism could not and would not change, et cetera.

The great rebuttal to that is to demonstrate more clearly than heretofore that Canada is going to change for the better through a no vote on October 30.

One of the major ways in which Canada can change without constitutional battles is through simple reforms to our federal institutions. Parliament, the Supreme Court and the Bank of Canada can all be made more representative and accountable to every region and citizen in the country without reopening the Constitution.

My question is for the Minister of Intergovernmental Affairs. Is this federal government open to changing these federal institutions—Parliament, the Supreme Court and the Bank of Canada—to make them simply more accountable and representative to every region and citizen in the country?

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 thought I would get some respite after the questions of the Bloc Quebecois.

Unfortunately we are plunging again into constitutional questions. On these questions I would like to indicate how much the government has indicated that it is ready to change. Not only have; we talked about questions such as distinct society and right to veto. More important, we have indicated that we are ready to give to the provinces a large number of powers. We indicated this in the last budget.

In the last budget we showed clearly that we are ready to reduce the actual size of the federal government. We have reduced our own departments by close to 20 per cent. We said that we would recentre our responsibilities and let the level of government that is the most efficient fulfil its responsibilities. That is the greatest opening to change that one can see.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I was not asking about change in the Constitution or in the distribution of powers. I was simply asking about changes in the federal institutions.

In many federations the upper chamber of parliament is the place where the distinctive interests of various parts of the country are represented and reconciled. Accountable and representative upper chambers can serve as a shock absorber for potential unity problems.

Countries like Germany, Australia, Switzerland and the United States have upper chambers that actually work. Unfortunately our Senate is not even democratically accountable, let alone able to represent and reconcile regional and provincial interests.

• (1430)

In order to demonstrate its openness to the reform of federal institutions, is the federal government willing to commit to at least the democratization of the Canadian Senate, another change which can be made without constitutional amendments?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the time to approve these changes would have been in Charlottetown. Unfortunately the leader of the third party did not approve them. There was a lot of discussion at the time on questions such as those. The leader of the third party chose to oppose Charlottetown.

At present the question we face is not the approval of Charlottetown. At present the question we face is the possible separation of the province of Quebec from the rest of Canada.

The burden of proof is on the separatists, and the separatists have not discharged the burden of proof. They have not given us a single good reason why Quebec should get out of the federation. That is what we must hammer at until the vote on Monday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister does not even address the substance of the questions being put to him.

We are not talking about constitutional changes like the Charlottetown accord. We are not talking about changes to relations between the provinces and the federal government. We are talking about some simple changes in federal institutions which the federal government can make unilaterally which would send a signal of things changing to Quebec and other provinces.

I repeat my first question. Is the federal government open to changing federal institutions, Parliament, the Senate and the Bank of Canada, to make them more accountable and representative?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the reason I am not addressing the specific question about changing federal institutions is this is merely a diversion from the present problem we are facing of why it is necessary to prevent the separation of Quebec from the rest of Canada. In this I hope to have the support of the Reform Party because that is the important reform.

To change the supreme court or to change the Senate, although it is a very important question, has nothing to do with the question we are facing today, the separation of Quebec from the rest of Canada.

[*Translation*]

OLD AGE SECURITY

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, according to a document we obtained from the Department of Human Resources, the old age pension system, the guaranteed income supplement, the spouse's allowance and the senior citizens' tax credit will be combined into a single new program requiring an income test.

How does the minister explain the Prime Minister's statement yesterday in his speech that the best way to protect our social benefits is to vote No, when this document by his minister indicates he is preparing to exclude thousands of seniors from old age pension benefits and to cut the pensions of thousands of others?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have been through this many times before. The Bloc Quebecois and its allies come up with a range of documents.

However, as I have said before many times in the House, such recommendations or proposals have not been presented by me or the Minister of Finance to the cabinet. The cabinet has decided it is not the policy of the government. It is simply a leak upon a leak which the Bloc Quebecois and its allies have developed.

• (1435)

I advise the hon. member not to pay attention to such spurious documents.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, this document, which is version 6.3, is entitled "Serving Canada's Seniors" assumes, regardless of how pensions are distributed, that there will be a single program with an income test—in other words, the absolute end of universality.

How can Quebecers believe in a government that has deliberately hidden this unprecedented attack—

Some hon. members: Shameful.

The Speaker: My dear colleague, I would ask you to reconsider the words "deliberately hidden" and to withdraw them before continuing with your question.

Mrs. Lalonde: —a government that has deliberately delayed this unprecedented attack, which will make senior women dependent on their spouse's income and could deprive them entirely of their old age pension?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is time we went through a reality check with the hon. member for Mercier.

On April 6 in the House the member for Mercier claimed there would be tens of thousands of people coming on to the welfare rolls in Quebec. In August I received a document from the Government of Quebec that pointed out the number of people on welfare had been reduced, not increased.

On June 22 the member for Mercier claimed that as we were reorganizing the department and decentralizing we would reduce Canada employment centres in Quebec to 28. We announced 78 Canada employment centres in Quebec.

Any document sent in by this member has absolutely no credibility.

* * *

THE CONSTITUTION

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. I remind the minister that the Prime Minister has said this week it is part of his efforts to persuade Quebecers to vote no and that he would be open to change, including in some cases constitutional change.

My question is the one I asked yesterday to which I did not get a response. Is it still the policy of the Liberal Party, as it is the policy of the Reform Party, that any general constitutional change would have to be submitted to and approved by the people of Canada in a national referendum?

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 have read a number of studies indicating that given that past constitutional changes have been submitted to referenda, the normal way in the future would be to go through referenda.

However, I do not know that we have talked about that as a policy. Therefore I do not think as the government we are linked to that.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my understanding from the answer of the unity minister yesterday is the people of Quebec would always have a voice in changes affecting their powers and institutions.

I wonder if the government would be prepared to say to other regions of the country that it recognizes they would also have a similar say in constitutional amendments.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, this question deserves very long discussion. I do not think today is the time for that.

* * *

• (1440)

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The CSN today made public the content of the unemployment insurance reform bill. This bill has been kept hidden up to now by the Minister of Human Resources Development, because it contains a number of cuts directed at the unemployed.

How can the Minister of Human Resources Development expect to earn the trust of Quebecers when he keeps a bill, which is in fact ready to be made public, hidden from them until after the referendum?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I do not know where the hon. member has been but for the past year we have consulted with tens of thousands of Canadians. We have had numerous hearings in front of the House of Commons committee. We have had debates in the House. We have had hundreds of exchanges with provincial ministers, with interest groups, with people right across the country talking about new ideas.

That party says it wants change and yet everything we hear from it is: hang on to the status quo, make no changes to get people back to work.

We want to provide the best employment system for the 21st century and the only people saying no are Bloc Quebecois members. They should get around to saying no on Monday rather than saying no here.

Some hon. members: No, no, no.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, now that his game is up, will the minister confirm that, among other things, it will be more difficult to qualify for unemployment insurance, that thousands of young people will be excluded from the scheme and that benefits will be reduced to half an individual's salary and paid for a shorter period? Will he finally acknowledge this?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, with all due deference to the hon. member, let me make it very clear that the government has made no decision on the presentations on unemployment insurance. We are still working on those proposals. I have not presented any recommendations as yet to cabinet.

As late as this morning I have had meetings with cabinet colleagues and with provincial ministers to get the thing right because our major intention is to ensure and guarantee the protection of low income Canadians and provide job opportunities for all Canadians, including those in Quebec.

* * *

TRAINING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, yesterday I asked the Minister of Human Resources Development if the Prime Minister was serious about his promise of administrative changes in government and would the provinces be given the exclusive role of manpower training. The minister refused to commit to this.

Will the minister agree to the Alberta government's request to immediately convene a meeting of the forum of labour market ministers to negotiate the final decentralization of manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if memory holds me correct I am scheduled to leave as soon as question period is over for the wonderful province of Alberta. I think on my schedule is a meeting with the minister of advanced education and labour to talk about these very matters.

We have a wonderfully co–operative arrangement with the Government of Alberta on single window delivery systems for young people and ending duplication and overlap in its programs.

To the credit of the minister, Alberta has been prepared to discuss such matters, unlike the minister of employment for Quebec who has refused all entreaties and all invitations from me to get together and talk about how we can come together and provide for real and true decentralization.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, discussion time should by now be well and truly over.

The minister has failed for two years to make any solid commitment in this area. The Liberal rhetoric for change rings hollow, untrue and empty as these promises go unfulfilled.

Why will the minister not give the power and the money to the provinces to manage the manpower training as they want to?

• (1445)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I remind the hon. member of one very important development.

A few months ago the provincial premiers assembled in St. John's, Newfoundland, to discuss social reform. At that time they established a special committee of provincial ministers who were to come together to develop a common position. Once they had arrived at a common position, they would then sit down with me, the Minister of Finance, the Minister of Health and other ministers to discuss those issues.

They have not arrived at a decision yet. They have not concluded their discussions. They have not decided what their position will be. I said at the time that when the council of ministers on social security reform was prepared to meet I would be there. They are not prepared yet, but as soon as they are ready I will be at the table.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In response to an appeal by the Minister of Fisheries and Oceans, Canadian International will be offering discounts of between 60 per cent and 90 per cent to enable thousands of people from various cities in Canada to land in Quebec as part of the referendum campaign.

How can the Minister of Fisheries and Oceans not only be in collusion but, moreover, entice a private company to contravene the Referendum Act, especially when he now knows the decision of the Chief Electoral Officer on the matter?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the member should know that under the National Transportation Act, air carriers are free to set their own rates with regard to servicing Canadians going from one point to another and that is exactly what they have done.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, now we have heard everything in this House.

My question, however, is for the minister responsible for organizing this great manoeuvre. How can he induce his Cabinet and caucus colleagues into contravening Quebec law, as he is doing at the moment, in the newspapers?

Some hon. members: Oh, oh.

The Speaker: Order. I would once again ask you, my dear colleagues, not to use props in the House.

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, what various transportation companies are doing is entirely up to them. The only thing I am doing is taking my wife and my children and going to Montreal. I suspect some other Canadians who love this country and love Quebec may join me.

Some hon. members: Hear, hear.

* * *

[*Translation*]

FEDERAL PUBLIC SERVICE

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, there has been a lot of speculation recently on the possibility of the Quebec government's—

Some hon. members: Oh, oh!

The Speaker: Order. Today is Thursday, is it not? We have missed a day.

The hon. member for Ottawa—Vanier has the floor.

Mr. Bélanger: Mr. Speaker, there has been a lot of speculation recently on the possibility of the Quebec government's signing an agreement with the Public Service Alliance, the largest public service union. This agreement would guarantee federal public servants living in Quebec a job in an independent Quebec following a Yes vote.

Could the President of the Treasury Board, as the employer of federal public servants, indicate to the members of this House and to the people watching us the status of these negotiations or the promises or the pseudo guarantees made to federal public servants?

• (1450)

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the Parti Quebecois government has promised that all federal public servants residing in Quebec would have a job in an independent Quebec. There is no job guarantee, however, because the Parti Quebecois has not concluded any agreement with the largest union representing federal public servants. Federal public servants in Quebec should be wary of empty promises by the separatists.

[*English*]

FEDERAL–PROVINCIAL RELATIONS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, today at Queen's Park the Harris government introduced an all–party motion calling for decentralization, an end to the status quo and a shifting of federal power to the provinces. It is proof that Canada wants change and can change with a no vote on Monday.

Is the federal government open to this type of substantial change without constitutional amendments?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the government has done nothing but promote change over the last two years.

We have indicated not only our intention to create profound changes but, as I have said before, we have put together a program review that is reducing the size of the federal government by 20 per cent, recentring the activities of the federal government to those that can discharge them best. We have applied a federalism principle in program review that will give to the provinces and the other levels of government the activities they can discharge more efficiently.

That is the proof not only that we talk about change but that we implement it in this government.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the message is not getting through. The separatists are wrong when they say Canada cannot change. Reformers want change, Ontario wants change; B.C. wants change and Nova Scotia wants change. By voting no on Monday Quebecers will open the door to building a new Canada, a stronger Canada, a united Canada.

Will the government assure Quebecers that a no vote means change? Will it assure the Government of Quebec?

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 can only agree with the comments of the member of the third party. He is underlining what is fundamental, that a no vote on Monday will mean change. A yes vote will mean rupture and disaster.

[*Translation*]

REFERENDUM CAMPAIGN

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister responsible for the Canada Mortgage and Housing Corporation, the Minister of Public Works.

Yesterday, the President of CMHC authorized distribution of a memorandum encouraging employees to take part in the big no rally to be held tomorrow in Montreal, by offering them paid leave.

How can the minister approve paying CMHC employees to travel to Montreal and demonstrate in favour of the no side with the support of the President of CMHC, Marc Rochon?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I thank the hon. member for his question. I hope he will want to join with other Canadians tomorrow in support of the no forces in the province of Quebec.

This government allows its employees to decide what they want to do in this referendum. The hon. member is quite right. A memorandum was circulated. But a second memorandum has been circulated which states very clearly that if they wish to participate in the no side of the referendum tomorrow they can do so, but they will not be paid by the Government of Canada.

• (1455)

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I trust that we are speaking of the same directive, because the one we have obtained really said "Those who go to Montreal will have paid leave for Friday".

My second question is for the President of Treasury Board. Will the minister confirm that a number of other federal public servants were apparently offered leave with pay for going to Montreal for Friday's demonstration, and does he consider that taking part in such a demonstration is included in their job descriptions?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we will be operating as a government tomorrow. Offices will be open right across the country. Our employees will operate in accordance with the collective agreement.

Whether or not our employees go to the rally in Montreal is completely a personal decision. If they want to take a day off,

they can do that in accordance with vacation leave. They can take a day of vacation. However, they will have to work that out with their managers to ensure that operationally all the government services will continue to be provided to Canadians tomorrow. That is something for the managers and the individuals to work out. However, within the collective agreement they are entitled to take days off.

* * *

BANK OF CANADA

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the people of Quebec are more likely to vote no if their expectations that the government will decentralize and create a smaller federal presence are greater. They will also be likely to vote no if they can be assured that national institutions, such as the Bank of Canada, will be made more responsive to the demands and aspirations of regions.

Will the Minister of Finance consider changes to the operation and constitution of the Bank of Canada such that, like in other industrial countries, monetary policy will be made by people who are responsive to the regions?

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 am not sure that changes in the structure of the Bank of Canada would really have an effect on the referendum. However, I agree with the hon. member that the spirit of change which has been seen in the federal government very clearly over the last few years is an important element.

The Prime Minister, in his speech last night, talked about the acceptance of a distinct society. He talked about the right of veto and he indicated that the decentralization which was in the last budget and in the program review is an essential part of what this government wants to do.

We have to conclude that we have already started to change. That is a fact. The relationship between the federal government and the provinces is evolving all the time. We have clearly indicated our intention to change.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, it is very disappointing on this side of the House to ask questions about changes in the responsiveness of national institutions to the demands of the regions and the provinces.

My supplementary question also concerns the Bank of Canada. Does the minister consider it feasible for a central bank to be administered by directors who are citizens of two separate sovereign states, both of which use the same currency?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member asks a very interesting question. I believe some smaller, mini–states have co–operative currency boards.

The only two countries that I know of which use another country's currency are Liberia and Panama. They both use the U.S. dollar. Anybody who thinks that those two countries have some influence on the Federal Reserve Board in Washington is living in the same dream land as the separatists.

* * *

• (1500)

ROUTE CANADA

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, yesterday was the second anniversary of the culmination of the 1993 election campaign. During that campaign—

Some hon. members: Hear, hear.

Mr. Collenette: Tell us what happened.

Mr. Goodale: What happened, Bill?

Mr. Blaikie: I knew that was coming. During that campaign the Liberals made certain promises and commitments to a group of Canadians who were hurt by the way Route Canada was privatized by the previous Conservative government. They made promises that the injustices done to these people would be resolved.

I ask whoever is speaking for the government on this matter today to say what progress the government feels it has made. When will those commitments be kept? When will the injustices done to those employees of Route Canada be finally resolved to their satisfaction?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I thank the member for his interest in the matter, along with a number of my colleagues on this side of the House who are very concerned about the question.

The bankruptcy trustee and the RCMP conducted extensive investigations into the company's conduct. Charges and sentences have followed. I take this opportunity to ensure members of the House and former employees of CN Route Canada that the rumours their pensions and pension benefits are at risk are wrong.

If they need additional information I encourage them to call the CN pension office. I assure them that their pension benefits have been protected by the government and that other issues will be looked at.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is directed to the Minister of the Environment. On the issue of implementing policies and regulations aimed at preventing pollution, are the federal and provincial governments working together to agree on stricter standards for cars and cleaner gas?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, at their meeting, Canada's Environment ministers agreed, unanimously I might add, that the country should adopt stricter standards. The federal government is prepared to proceed in this respect.

When important issues like health and environment are discussed, the federal and provincial governments have shown a remarkable degree of co–operation, and we can expect that to continue.

* * *

[*English*]

POINTS OF ORDER

QUESTION PERIOD

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, my point of order arises out of question period and the question asked by my colleague from Calgary West.

After he asked his question and received an answer from the government the Minister of Fisheries and Oceans pointed at me, the member for Beaver River, my seatmate from Calgary Southwest, and my colleague from Calgary West who had asked the question and said: "You're an ass, you're an ass and you're an ass".

Some hon. members: Oh, oh.

Miss Grey: He then went on to say right after that: "You are snakes". Third, he said: "You would love a yes vote. You are salivating".

I would ask you, Mr. Speaker, to ask the member (a) to withdraw and (b) to explain how in the world this will help the cause of national unity.

The Speaker: Evidently the hon. minister of fisheries was named. If he wishes to add something to this point I would be willing to hear him.

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there are only three things in the world I am sure about.

One is that we should have a no vote on Monday night; two, we should all be in Montreal tomorrow; and, three, I should have called them donkeys.

Point of Order

• (1505)

The Speaker: I did not hear any of these statements. I do not know if they will appear in *Hansard*. If indeed the hon. minister said these words I would appeal to him to simply withdraw them.

Mr. Tobin: Mr. Speaker, if anything I have said has caused any cause for alarm by my colleague opposite, whose sensitivities are well known, I withdraw.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would appreciate it if the Leader of the Government would let us know what he has in mind for the next few days.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we will continue this afternoon and tomorrow with consideration of report stage of Bill C–61 regarding agricultural penalties. We will then return to second reading of Bill C–99 on small business loans. If this is completed we plan to return to second reading debate on Bill C–88.

On Monday we will commence report stage of Bill C–7, followed by report stage of Bill C–103, followed by Bill C–94. We intend to schedule the third reading debates on these bills and Bill C–61 at the earliest time procedurally possible.

As soon as business permits next week we will call the second reading stages of Bill C–95 and Bill C–96. I expect that Thursday, November 1, will be an allotted day.

This completes my weekly business statement.

* * *

POINTS OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, on December 1, 1994 I placed the following question on the Order Paper:

> For each department, agency and crown corporation, how many employees, including parliamentary agents, governor in council appointees, armed forces personnel and RCMP personnel receive, or will receive, the following benefits for one year or more: (a) a living allowance for a second residence and (b) a transportation allowance (or transportation) from home to place of work where distance exceeds 40 kilometres, and if any receive the foregoing, (i) what is the cost per individual recipient, (ii) what is the rank, position or title of each recipient and (iii) is the tax deducted at the source for these benefits".

I thought it was a fairly simple question.

Next Tuesday it will be 11 months since I placed that question on the Order Paper. The question was prompted by the revelation

that the Commissioner of Official Languages was being chauffeur driven between Montreal and Ottawa each week and had an apartment supplied to him in Ottawa courtesy of the government, all because the job was in Ottawa but he preferred to live in Montreal.

Standing Order 39(5)(a) gives a member the right to ask for a response in 45 days. This is not a problem of delay but a problem of avoidance on the part of the government. Questions on the Order Paper are methods by which we as the opposition to the government, on behalf of Canadians in general, may hold the government accountable and obtain the facts concerning benefits given to its appointees that are not available to the public at large.

I ask you, Mr. Speaker, to look into the matter for me pursuant to Standing Order 39(5)(a) and find out why I do not have a response from the government to my question.

• (1510)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I know the hon. member and Job have a lot in common when it comes to patience. I respect the fact the hon. member has been very patient in waiting for a reply, but he read his question and therein lies the problem in getting the answer.

He has asked for every department, agency and crown corporation how many employees meet certain criteria and he has asked for specifics on each of the employees. When we add up all the agencies, crown corporations and departments, including the armed forces, the RCMP and so on, the Government of Canada has over half a million employees as far as I am aware.

Every department will have to go through every list of every employee and every agency will have to do the same, including the Department of National Defence and the Armed Forces of Canada.

Ms. Catterall: How much is this going to cost?

Mr. Milliken: This will cost a fortune. The hon. member does not care about that despite their pretence of claiming they are interested in thrift. He will insist on this answer. We will get him the answer. It is nearing completion, but I am sure it will be an extremely voluminous answer.

I hope he has a long holiday coming up from Parliament so he can sit down and read it when he gets it.

The Speaker: Is the matter settled?

Mr. Williams: Can I respond to that?

The Speaker: No, I do not want to get into a debate today. You have both made your points.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed consideration of 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, as reported (with amendments) from the committee; and of Motions Nos. 21 and 22.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, we are resuming debate on report stage of Bill C–61. I believe we are at the final grouping of the amendments put forward by my colleague from the Bloc, the hon. member for Lotbinière. My colleagues and I can support the two amendments because they are amendments we considered. Had not the Bloc submitted them I believe we would have introduced them.

Prior to question period I listened to debate on the two amendments by the hon. member for Prince Albert—Churchill River. I confess that I disagree with almost everything the hon. member said.

He did not seem to want more accountability in our system. He did not want public servants in quasi–judicial bodies to be accountable or more accountable to Parliament. He did not want the role of members of Parliament in committees to be increased. It seems it would be too burdensome for the hon. member and too onerous for this astute body to look into the affairs of government, hold it accountable and diligently watch what it is doing.

The red book, if I recall correctly, promised some parliamentary reform. We got into that issue to a degree earlier in question period. Perhaps it is appropriate to raise the subject at this time. The red book talked about parliamentary reform and about strengthening the roles of parliamentary committees.

The two amendments the hon. member put forward would cause the appointment of members to the tribunal to be ratified or reviewed by the Standing Committee on Agriculture and Agri–Food. In my eyes that would seem to comply with the red book promise of giving the committees more responsibility and giving the committees a more meaningful role, making them more than window dressing as they have been notoriously described in the past.

I expected members on the other side to have applauded the proposal, but the member for Prince Albert—Churchill River seemed disconcerted by the suggestion that standing committees would have more work to do and would play a more responsible role in the life of Parliament.

The role of parliamentary committees is more of a babysitting service for Liberal backbenchers. Prior to that it was a babysitting service for the Conservative backbenchers, something to keep them busy while those in the cabinet ran the affairs of the country, something to keep them away from the decision making process, something to keep them away from the actual development of legislation, the meaningful review of bills in the committee and meaningful clause by clause study of bills and an interest builder in the actual departments of government that were held responsible to review, investigate and monitor.

• (1515)

In the Standing Committee on Agriculture and Agri–Food we received wrong information from the parliamentary secretary, which seems to indicate to me that the department, the minister, the parliamentary secretary, or whoever was responsible, did not feel the work of the committee was that important. They did not really do their homework that well.

We went through clause by clause on Bill C–61. It was kind of a scripted thing where the member for Dauphin—Swan River jumped in at the appropriate time with the amendments that were supported by the government and Liberal members sort of turned off their minds. We could see the lights going out, that they were going to accept these amendments and no others. That is why we brought our amendments to report stage rather than in the committee. Experience has taught us that introducing meaningful amendments in the committee is a waste of time. The minister is not there to review the amendments to see if they are acceptable. The government does not want any possible changes to the legislation without a lot of scrutiny. It does not trust backbenchers to have minds that could actually propose some constructive amendments in clause by clause or in the committee stage. This is just a make work project for the backbenchers.

What the amendments put forward in group 5 would accomplish is the committee would have a meaningful job to do of reviewing appointments to the tribunal that would be an appeal body for the administrative monetary penalties should someone who has violated the regulations of Agriculture Canada so appeal to that tribunal. That makes a lot of sense. That is moving the House of Commons and members of Parliament to more meaningful work, a more direct contact with the administration of government. It is more of a hands on role. It is a role with which members can go back to their constituents and say they have something to do that counts and is important.

The Liberal government does not seem willing to give the committees the added responsibility. The promises in the red book ring pretty hollow if these two amendments are not passed.

The minister and his departmental officials have said that the spirit of Bill C–61 is good, that they have good intent. I believe them. I believe they have good intent. I believe they want this new process of administrative monetary penalties and compliance agreements to work to reduce the onerous burden on our justice system. I believe they do want it to work. It is also paramount that in giving these powers to his department, his public servants and himself as minister to put some parameters around the authority and responsibility that are reasonable and responsible.

In summing up my response not only to these two amendments but to the entire bill, it all fits together. We have tried to build reasonable fences around the bill that allow enough latitude within for the minister and his department to effectively administer the powers they receive under Bill C–64.

Why they would not want the committee on agriculture and agri–food to play a more meaningful role in the ratification of appointees to the tribunal is beyond my understanding. It just seems to be the mindset of the government. I think it is wrong. I think it is unfortunate. It is sad. Perhaps it is even part of the reason we are experiencing some trouble right now.

I appeal to the minister and to members to reverse this trend; to start to make government more open, more transparent; and to make the public service more accessible and accountable to not only the ministers but to all members of Parliament. Therefore I support the two amendments. I heartily endorse the two amendments and ask other members in the House to do the same.

• (1520)

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I too want to deal with Motions Nos. 21 and 22, but I want to take issue with a couple of the comments made by the last speaker, the member for Kindersley—Lloydminster.

Earlier today we were talking about being reasonable in this House. We did agree with some of the amendments put forward by the hon. member in the third party. After the comments he made in his last remarks, one would wonder why we would be reasonable. He commented that in putting amendments forward on behalf of the government the Liberal members merely put them forward and the lights went out. Those amendments had taken serious consideration of the discussions, what the department had said and what our members had said, the discussion that Reform members had brought forward before the committee. Those amendments were given due consideration, were well thought out and indeed improve the bill, as do some of the amendments put forward by the third party.

He also alluded to, and I want to take issue with it, the remarks of the parliamentary secretary. I want to say, having sat in on those meetings, that the parliamentary secretary tried to provide the comments from the community. In response to the member that night, when Bill C–61 came out the department issued a release to quite a number of organizations that had raised concerns. It issued an overview of the particular bill. Having been a leader in the farm community for a number of years, I know organizations look at that overview, look at the draft legislation and respond accordingly. I believe they did have the opportunity to respond, and the parliamentary secretary was

trying to outline to committee members the views of the community. I respect him for having done that.

We on the government side of that committee have considered these amendments very seriously, including those from the Third party.

On the motions we are now debating, I oppose the particular amendments. The minister spoke earlier on another amendment and I think his comments apply to these amendments. The manner of appointments of members of the review tribunal by the governor in council set out in the bill follows a well established practice, endorsed by courts of law, of assuring the independence of the tribunal from outside interference.

This is what is so important in terms of the appointment of members to committees. I know from previous experience that there is nothing more difficult than appointing members and trying to do it in a balanced, fair and equitable way. If we had members of the committee trying to push certain members to be appointed to committees for political or other reasons, we would be into very great difficulty in terms of trying to find balance on committees.

In terms of appointments to tribunals and so on, the minister is always accountable and responsible. Therefore, he takes a great deal of discretion in terms of making appointments. If the minister appointed the wrong individual, the first ones standing up in the House would be members of the opposition, complaining about the appointment and trying to hold the minister accountable and responsible. How could the minister be held accountable and responsible for appointments pushed by committee members and sometimes by the opposition parties? As a committee we would be in difficulty.

• (1525)

I know the intent of the member for Lotbinière is good. The objective he is putting forward is good. However, it is very problematic in terms of how it would work in practice. Let me give an example.

I am from P.E.I. and the hon. member is from Quebec. We both might be pushing two individuals for our own reasons, for our own provinces. It could create confusion and problems on the committee. It would take a lot of committee time unnecessarily. I prefer the present approach: hold the minister accountable and responsible for those appointments. That is how it should be.

Let me make a couple of other comments in opposition to the amendments.

The bill requires that members of the tribunal have technical qualifications related to the area of agriculture and agri–food and are not in a position of conflict of interest relative to the matters before them. To ensure that people are not found to be in a conflict of interest, it means their backgrounds and resumes must be examined. It is much better to do that in a private forum, rather than in the public forum the committee entails.

Having the standing committee approve all appointments would raise a number of concerns. First, the time required to deal with the committee recommendations might add considerably to the length of time required to make the appointments.

Second, the committee might refuse to recommend any of the incumbents to these positions, effectively preventing the positions from being filled. As I mentioned earlier, the opposition to incumbents might be based purely on political reasons rather than sound judgment in terms of the ability of the individual to do the job.

Third, this kind of amendment would be a move toward a more American style of government. In the past we have seen what incumbents who are looking for positions go through when they appear before boards and committees. Sometimes individuals who could do an effective job are lost because of the process. I think that is wrong.

Finally, a committee debate on the selection of tribunal members could be conducted in public and might involve hearing witnesses, raising privacy concerns and possibly deterring applicants from even considering sitting on these tribunals.

I know the amendments are put forward in good will. I know the intent to be more productive is there, but I believe they would be problematic. On those grounds, I oppose these amendments.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, we have been considering the various amendments to Bill C–61 at report stage since 10 a.m., which has given us over four hours of very detailed discussion. For the most part, that discussion has been quite useful.

As the member for Malpeque mentioned, during the course of the debate and discussion the government has accepted at least three of the proposals put forward by the opposition pertaining to various administrative matters in the legislation.

On the final two motions that are now before the House, Motions Nos. 21 and 22, the arguments advanced by the member for Malpeque are very convincing and sustainable arguments as to why the two motions should not be among those accepted.

• (1530)

I might elaborate on one of the reasons advanced by the hon. member for Malpeque, which is the distinction between the Canadian parliamentary system of government and the American congressional system of government.

Under the American system there is a certain method for making appointments. It involves in certain circumstances public hearings before congressional committees. In Canada traditionally we have not taken that approach. One of the reasons we have not taken that approach is the difference between the congressional system in the U.S., which has a different system of checks and balance on the whole executive authority of government, and our parliamentary system, which has a very fundamental rudder to it. You see it from the chair every day, Mr. Speaker, in question period. That is a characteristic absolutely unique to our system.

Members of the U.S. cabinet never have to appear in a public forum like the House of Commons. They appear from time to time in carefully controlled circumstances before congressional committees. Members of the American cabinet are not members of the American Congress and therefore are not present in either the Senate or the House of Representatives. They are aloof, separate and apart from the legislative branch of the American government.

The Americans have an array of checks and balances they believe holds their system together quite appropriately. That is their system. It is a different system. They do not have the open forum of Parliament in which every day Parliament sits the ministers of the crown are in the House to face the accountability of the opposition in the open question period. It is a unique feature of our system, one that argues very well for our system as compared to theirs.

That distinction, among others, is one of the reasons we should reject the kind of administrative suggestions proposed in these two motions and stick to the bill as it is presently before the House.

Earlier in the day the hon. member for Kindersley—Lloydminster raised questions about certain comments made in committee by my parliamentary secretary. I answered fully those questions with respect to the views expressed by my parliamentary secretary. The hon. member for Kindersley—Lloydminster has once again in his most recent intervention repeated the allegations without indicating that those allegations have already been completely and fully answered in the House. They ought not to be repeated without the indication that they have been answered. I answered them earlier today. He was not paying attention.

The hon. gentleman also engaged in general criticism. I hope he did not mean it seriously. It was general criticism about the conduct of government members with respect to the work done on the bill in committee.

From my experience as a minister the government members who worked very hard on the bill took their responsibility very seriously. Apart from the hours they spent working on the bill in committee, they spent additional hours doing their homework in their offices, writing letters, asking questions, getting answers and understanding the legislation so that when they went to the committee they were well prepared to deal with the issues in a thoroughly conscientious and efficient manner.

The hon. member for Kindersley—Lloydminster criticized them for being well organized. I commend our members for being well organized. I know the depth in which they studied the legislation because I was the one inundated by their questions on how to put the legislation together in the best and most proper fashion.

Government members have done extraordinarily well in ensuring the legislation came out in a way which serves the national interest.

The Speaker: We are dealing with Group No. 5, Motion No. 21. Is the House ready for the question?

Some hon. members: Question.

• (1535)

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

We are now dealing with Motion No. 22. Is the House ready for the question?

Some hon. members: Question.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred divisions at report stage of the bill before the House.

Call in the members.

[*Translation*]

And the division bells having rung:

The Speaker: Pursuant to Standing Order 45(6), a 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*]

Ms. Catterall: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to further defer the votes until Tuesday at 5 p.m.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

SMALL BUSINESS LOANS ACT

The House resumed from October 25 consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I am pleased to speak to Bill C–99 and about how the government is acting on its commitment to provide leadership in helping small business grow and create jobs.

I will spend some time discussing the consultations that have fed into this legislation and the initiatives we have taken to help small business grow and prosper.

Small business has always played a crucial role in the Canadian economy, be it a local corner store, a remote fishing camp, parts suppliers to the aerospace industry or a computer software developer.

Small businesses are a vital job creator and are contributors to our country's wealth. Today there are about 2 million small businesses in Canada. They account for almost two–thirds of the jobs in the private sector and 60 per cent of Canada's economic output. It has been stated many times that small business creates 82 per cent of all new jobs.

In my riding small business played a pivotal role in the opening up and the development of the north from small aviation companies that led the way, to the service industries that followed to support the growth, to an increasing number of aboriginal owned and operated companies which provide the services needed and which drive the engine of economic growth in the communities.

I now illustrate some of the dynamic things small businesses are doing in the north. People in my riding are becoming increasingly aware of the potential for growth when we work together to create the economic and social development so needed. An excellent example is the Dogrib Nation group of companies. The Dogrib Treaty 11 Council recognized that the best way to address the needs and priorities of its communities was to play an active role in partnership with the businesses that deliver the services needed. Therefore it created the Dogrib Nation group of companies to address economic development needs from investments in hydro–electric power generation to forestry, heavy equipment supply, aviation in partnership with Canadian helicopters and commercial catering.

• (1540)

The group pursues a number of industrial and human resource development activities for and on behalf of the four Dogrib Nation communities. This is a living testament to the empowerment potential that can be unleashed by small business initiatives.

Another example is the Northern Transportation Company Limited, originally a crown corporation. NTCL's primary objective is to provide cost effective, reliable and comprehensive marine transportation and related services in northern Canada and the Arctic. Now NTCL is the wholly owned subsidiary of NorTerra Incorporated, which in turn is owned by two aboriginal corporations, the Inuvialuit Development Corporation and Nunasi Corporation. The Inuvialuit people of the Western Arctic and the Inuit of the Nunavut are the beneficial shareholders of NTCL.

There is recognition for those small businesses that have been able to achieve equity. Recently NTCL was the recipient of the federal locators award given to those companies that demonstrate they can bring in the groups under–represented in the general population or general labour market areas.

When we bring small business down to the human grassroots level, we look at small communities like the community in my riding of Fort Resolution. The people have undertaken to commit themselves to the small business of running a sawmill, a very industrious and skills related industry. The community can see the results of it and have the participation in terms of jobs and watch exactly how small business grows. They have been able to develop an economic development arm which has allowed them to provide some of the supplies they need to build their homes and to provide the region with some of those facilities.

They have taken it upon themselves to get into an industry that would produce some of the materials needed for building homes such as moulds to create bathtubs and all the other things needed for use inside a home.

There are a number of other items they produce. They are expanding and diversifying which is the key to successful small businesses to either focus and do something very specialized they are good at or to capture a market. This seems to be what they are doing, and doing it very well.

During the recessionary years when large multinational corporations were laying off workers, small businesses were responsible for almost all of the net new jobs created. Why are they so successful? Small businesses embody the dynamism and flexibility to respond quickly to new challenges. They know they have to innovate aggressively in order to compete.

Canada is now moving into a new economy, one characterized by rapid technological change, intense global competition and innovation. Small business has the right stuff to succeed in this environment. However, small business cannot do it alone. It needs the right environment and the right tools to get the job done and that is our responsibility.

The task of the government is threefold in terms of small business being successful. The first thing we must do is create the best economic conditions and institutions that will allow these innovators in the private sector to get on with it. It always helps to have a country as politically stable as it is economically stable. It helps to create the right condition and the right climate for those small businesses to flourish. It helps to create an environment where new ideas are spawned and where ideas, technology, and new production processes move quickly throughout the economy. It helps Canadians realize that innovation does not just happen; it thrives best in countries that consciously understand the process and take steps to create a national system of innovation. This means we must work with the private sector to identify strategic opportunities and channel our resources toward fulfilling those opportunities.

• (1545)

In February 1994 we asked the small business community to help us create the environment and the tools it needs to succeed. The House of Commons Standing Committee on Industry, the private sector small business working committee, the chamber of commerce, and many other groups contributed to one of the most comprehensive reviews of small business ever undertaken.

Four primary messages emerged from the review. Small business told us that with the proper support it has a vast untapped potential for creating jobs and wealth. This is no secret. This is something that is quite well known and has been demonstrated time and time again. Reducing the deficit is one of the most important steps toward unleashing this potential, we were told by the various proponents. Government programs must become more efficient, effective and relevant to the needs of small business. Who knows best? Of course small business does, with its various proponents. Finally, the vibrant small business sector that Canada needs cannot be created by the government alone.

We have listened to these messages and we have acted on them. We have placed the needs and concerns of small business at the centre of our job creation agenda. Our consultations reaffirm that high deficits and a rising debt burden spoil even the best prospects for any country's economic growth. We need stable economic policies for sustained growth and job creation. The fiscal policies we are pursuing address this need.

We in Canada recognize the serious debt to GDP problem we face, and we are responding to it with the biggest budget cuts since demobilization following World War II. The 1995 Canadian budget will reduce the federal government's borrowing requirements to 1.7 per cent of GDP by the next fiscal year, 1996–97. This is the lowest of all the G–7 countries.

We also set an inflation target range of 1 per cent to 3 per cent and we have kept inflation below the midpoint of that range since 1991. In terms of inflation, Canada is the Switzerland of North America in the 1990s.

Also in the last budget the Minister of Finance announced a rollback of unemployment insurance premiums from $3.07 to $3 per $100 of wages to lighten the burden of profit insensitive taxes. We are refocusing our remaining programs to reduce duplication and serve the needs of small business in the best way we can.

The red tape and associated paperwork and complex regulatory hurdles faced by any venture can be discouraging, if not insurmountable. We have eliminated 250 regulations. We are in the process of reviewing another 370 in an effort to achieve a more efficient and effective framework for business.

We continue to work with the private sector financial institutions to improve their ability to serve small business. They have responded with new services, including specialized lending units to serve the needs of knowledge based firms. We recognize that there are some areas the private sector will not be able to serve very well.

We have responded by reviewing and then giving a new mandate to the former Federal Business Development Bank. The new name Business Development Bank of Canada is intended to highlight the bank's new approach. The bank will focus on filling our four marketing gaps. First is the knowledge gap, gaining an understanding of the information technologies, software and related industries to serve businesses where the principal assets are between the ears of the owners and not conventional hard assets.

Second is the size gap, finding ways of providing smaller loans to meet small business client needs while still breaking even financially. People do not go into small business to go broke. People go into small business to flourish, to specialize, to develop and to diversify if they have to, to capture those markets that are out there. Essentially small business means business; essentially that is what it is.

• (1550)

Third is a flexible financing gap, providing loans and other to forms of financing on flexible repayment terms, to take account of clients' variable cashflows, particularly in the early years.

Fourth is the risk gap, lending up the risk curve to provide clients with appropriately priced access to capital. This tends to be generally a big problem where there is not a lot of built–in infrastructure, where there is a lot of difficulty for small businesses to succeed in areas that may be very remote and do not have the kinds of infrastructures available in a more broadly based population.

We recognize that implementing this new mandate as a complementary lender will require nothing less than a cultural revolution. The bank is developing a corporate plan that will give effect to this new mandate. We expect that the new Business Development Bank of Canada will become recognized in Canada and around the world as a leader in developing new financial instruments for small business. The example set by the new bank will show the major banks that small businesses are worth their time and effort and will inspire them to greater participation in small business financing. Access to financing remains an important issue for entrepreneurs. However, development of a business climate that encourages growth and job creation is equally important.

We are determined that the business framework laws shall be part of Canada's comparative advantage. We are seeking to forge new partnerships among the innovative players in the economy to ensure a vibrant small business sector. We recognize that support for innovation must be sharply focused on the commercialization of science and technology. We are concentrating our efforts in two key areas: building partnerships between all players, especially innovative small businesses, and improving strategic access to information.

We have launched a Canadian technology network that will help small business acquire and manage new and complex technology by putting them in contact with the Canadian research community. We will provide business with rapid access to information on domestic technology.

We have established the technology partnerships program to promote collaboration between Canadian universities and small and medium size businesses to turn university technologies and ideas into new and improved products, processes and services. It will bring together universities and businesses in cost shared efforts to demonstrate, develop and market promising technologies.

Perhaps nowhere is there greater opportunity for innovative businesses to realize their full potential than through the information highway. The federal government is moving quickly to develop an information highway strategy that will build on national strengths in telecommunications, information and information technologies to create jobs through innovation and investment, to reinforce Canadian sovereignty and to cultural identity, and to ensure universal access at reasonable cost.

We established this commitment to small business in the Liberal Party's red book because we recognized that it is the engine of Canadian economic growth. We put this commitment into action by announcing proposals designed to help small business grow. We furthered this commitment with the measures contained in the last budget. We will continue to maintain this commitment to ensure the health and prosperity of Canadian small businesses.

We brought forward Bill C–99 to enable the completion of the process of modernization that moved the SBLA program to full cost recovery. This renewal will relieve the financial burden of the program on Canadian taxpayers while enabling the SBLA to continue to provide its benefits to small business.

I emphasize the importance of what can be accomplished when we work together in partnership as Canadians. Earlier I talked about some of the innovative and dynamic things happening in my riding as a result of people working in partnership and co–operation.

• (1555)

The United Nations recognizes Canada as the best country in the world to live in. We accomplished this by living and working together. We created the environment, economically, socially, politically, and the opportunities for all Canadians to empower themselves and in turn contribute to society. It is through these actions that we will also fulfil our promise of creating jobs and prosperity for all Canadians.

The north is no different. As proud Canadians in the north, we too want to contribute to society. We too want to contribute to the overall economy and well–being of our country. It is through an innovation like this that perhaps those opportunities and those doors of opportunity become more available.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I thank the member for Western Arctic for participating in this debate, for supporting the bill and talking about the importance of small business, especially in the north.

I would like to ask a question that arises from an experience I had three weeks ago when I was travelling in Austria. I met some Austrian businessmen who had travelled to the north on tourism trips to hunt and to enjoy the beauty of the Arctic. They felt there was tremendous potential and opportunity for tourism in the north, especially if there were more extensive promotion in Europe. They also thought there was an opportunity to develop a tourism infrastructure in the north.

I wonder what the member's experience has been when she talks with the small business men and women in her community who are tourism operators, who have incredible potential with the resources of the north. What has been the experience of those small business entrepreneurs with the financial institutions in this country? Do they find the financial institutions are becoming much more progressive in their thinking and are supporting these small businesses with loans to build those businesses so they can promote these opportunities? What has been her personal experience as a member of Parliament serving the tourism operators in the north?

Ms. Blondin–Andrew: Mr. Speaker, I am very pleased the member for Broadview—Greenwood has brought forward this question. If there was ever an industry that would be next to the resource industry in the north, it is the other resource industry, tourism.

We do need the infrastructure. I suppose one of the dreams we have as politicians and one of the things I often refer to as an infrastructure requirement would be the completion of the Mackenzie Valley highway. That would open up a tremendous potential and complete the loop of having to come down to travel the Trans–Canada highway right into the north, go right up the Mackenzie Valley and travel along 1,800 kilometres of river on a highway. It would allow the resource industry that is there to have access to the Mackenzie Range and the Nahanni National Park. It would open up a tremendous amount for Canada to see. That is what makes this country so wonderful. That is what makes this country so beautiful. It makes us appreciate all parts of this country.

The Reform Party laughs. When we talk about our individual areas we tend to appreciate and respect each other, not laugh at each other. The hon. member has been to my riding. It is really important for members to see that beauty, to see that vast expanse which says this is part of Canada. This is what we are debating today. We cannot describe how wonderful and beautiful our country is. As Canadians we have the opportunity to build on it, to continue to expand and make it even better than it is by building that infrastructure.

• (1600)

The financial institutions my colleague referred to have provided this opportunity with the revamping of the Business Development Bank of Canada. It is going to open the doors of opportunity to those small businesses and tourism operators to do what was suggested and make it accessible.

There is an influx of European tourists from Germany, Austria and Japan. They are going to see the pristine north, to see the flora and fauna species which are not available in their own countries. That resource is worth sharing with Canada and the world. The way to do that is by making these institutions and resources more accessible by changing the Small Business Loans Act.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I want to clarify some of the accusations that came this way. We were not laughing at the minister. What we were laughing at is the fact that the Liberals have frittered that infrastructure money away on all kinds of pork barrel operations. Now when a highway needs to be built, there is no money left.

I would like the minister to comment on why that infrastucture money was not used for true infrastructure.

Ms. Blondin–Andrew: Mr. Speaker, I appreciate the back handed compliment from the Reform Party. It is unfortunate it could not just be an up front compliment.

I understand what Reformers are saying. In terms of the infrastructure, all projects the infrastructure money has gone to are priorities set by the people in the north. We gave them the money and they decided what they wanted to do.

For building a highway, in 1984 it cost $1 million a kilometre. Simply put, Canada does not have that kind of money. There are a lot of kilometres of road to be built and we do not have that kind of cash.

I am happy the Reformers are lobbying for a road in my riding. I would welcome them to transfer their infrastructure money to help us build the MacKenzie Valley highway. That would be great. It is a tremendous investment and even though I would like the government to make that commitment, it cannot do so at this time. In light of deficit reduction, we must be realistic in all the priorities we set. It is a long term goal, a dream of mine and a dream of northerners. It is something I appreciate the help of the Reform Party on.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I had the good fortune to visit my hon. friend's constituency this past summer. I concur that it is one of the most spectacular parts of the country.

I visited a number of business people in her constituency. One runs a small hotel or lodge and has been trying to sell it for about 15 years. He would find a potential buyer and they would try to arrange financing. He found the difficulty was that he lived in an environment that often was rather vague in the minds of southern bankers. It is dark for half of the year and has an unusual

tourist season. It was not clear what the season was, whether it was summer or winter, and consequently, the individual could not get financing.

My question in a sense is a take–off from my hon. friend for Broadview—Greenwood. When it comes to financing, particularly with respect to tourist related enterprises in the north, does the hon. member agree it is a major area and that financial institutions simply do not have the financing mechanisms in place to meet the demands and needs of the emerging northern economy?

Ms. Blondin–Andrew: Mr. Speaker, there is no dispute of the fact that certain operators and owners of businesses, be they big game hunters, lodge owners or whatever have had trouble because the economy has not allowed for people to buy into those opportunities. There has been some difficulty in accessing those resources.

• (1605)

Changing the Small Business Loans Act will make these resources more available. Some of the Canadian banks are developing partnerships with aboriginal communities. There is more cash available now since we have settled land claims. Potential partners are speculating and looking at new opportunities. Things are actually getting better, but there are no magic solutions.

We were very lucky. If I might compliment my colleague, my riding was made more beautiful by his presence as a tourist. I welcome more people to the north.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am delighted to have the opportunity to say a few words regarding Bill C–99, an act to amend the Small Business Loans Act. At second reading stage the assumption is that we are talking about the principle of the bill. On that point I want to register a deep disappointment with this initiative.

We have heard thoughtful presentations from all sides of the House regarding the value of small business, the importance of small business and the critical nature which small business has taken on in the changing economy. If this is any indication of how the government plans to react to these needs, to this new sense of dynamism in the country, it is pathetic.

My hon. friend from the territories indicated that this is a major step forward. This is not a major step forward. Quite frankly, this is a little technical housekeeping which will build total cost recovery into the legislation. Actually, it will probably make it a bit tougher for people to obtain a loan because of the loan guarantee being decreased to 85 per cent from 90 per cent. That will cause the banks to be a bit more wary in terms of lending.

Then there is the provision that through order in council the government can make changes to the legislation. I have seen changes in my short time as a member of Parliament. At one time there was a 100 per cent guarantee. Then it decreased to 90 per cent. Now it is being decreased to 85 per cent. It is fair to say that if this trend continues, we will soon see the guarantee being decreased to 75 per cent, 50 per cent, or whatever, which would essentially make it a non–program.

I am concerned about the influence which, behind closed doors, cabinet will have to change this crucial piece of legislation. I happen to think it is a good piece of legislation. However, I do have a deep concern that this is the only initiative which we are discussing.

Let me put this into context. I am one of many members who believe that the small business sector is the crucial job creating sector in the country today and will be even more so in the future. As a result of both government and private enterprise downsizing, the role of the small operation, the independent operator and entrepreneur has become more important than ever.

We are visited regularly in our constituency offices by young people who have sent out 200 resumés, who have filled out 100 job applications or who have knocked on 50 doors trying to find employment. Often these young people are well educated and well trained. They have marketable technical skills and good research abilities. They are self–starters and so on. Yet they are having difficulty finding a job using the traditional process for finding a job.

The young people of the future who will be employed will be those who actually create their own enterprise. They will realize that they will not be working for a firm. They will not be working for an accounting company. They will not be working in a small manufacturing firm. It will be up to them to actually start their own enterprise from scratch. They will be the ultimate entrepreneurs, able to take a concept, see an opportunity and put that into play.

• (1610)

Today we see two different types of small business operators. One type is the small business operator who finds himself attempting to start a small business or is looking for ways of starting one. He has very little experience in the world of business and probably never thought he would actually start a business.

Because of the layoffs in the private sector and the downsizing in the public sector people like him simply find themselves out of work and the only solution they see is to start an enterprise. One of the areas where government could help would be to find ways and means to enable those men and women to obtain the necessary skills to start a small business and to run it successfully, or to upgrade their skills or obtain retraining.

I appreciate there are programs in place now. I am thinking in particular of some of the work done by the Business Development Bank of Canada and others. This is one area where government can provide some service to encourage the development of these, let us say, incubator centres.

The other type of business people are the individuals who have wanted to be in business all their lives. Simply by their nature, instinct and character they are business people. They have developed the necessary skills or perhaps have them innately and have enrolled in programs or courses to bring themselves up to speed to be successful business operators.

These two types of operators are now becoming increasingly more familiar on the economic landscape of the country.

In Kamloops we are in the process of celebrating Small Business Week. I heard the definition of a small business person the other day and I thought it was very apt. I realize that when it comes to the Canadian Federation of Independent Business and other business organizations, economic organizations, banks and other financial institutions, they all have their own definitions of what a small business operation is.

The one this person came forward with was that a small business person is one who works 18 hours a day, seven days a week for the equivalent of about an eight hour daily wage. In today's economic environment that pretty well sums it up. These people are dedicated and committed to their enterprise. They are prepared to dedicate literally their entire lives. It becomes a lifestyle to see a new business start up or an existing business to continue to expand. These are the people we need to encourage in all ways.

How do we encourage them? What can we do? I have wrestled with this for many years. I sent out a questionnaire to the small business operators in my constituency a while back. I asked them to help me with ideas as to how they thought the government could help them.

They said three things: "Get out of our way, get out of our way, get out of our way. We will take care of ourselves. We do not actually need help. If you could allow us to more easily spend time on developing a new enterprise, new technologies, new processes, new marketing programs, that is what we need to do. We need to spend time on that as opposed to filling out countless forms". Mountains and mounds of red tape confront the typical small business operator. There is a lot of truth in that.

Underlying all of this is the recognition of the hated GST and what that has done and continues to do particularly to small businesses. I look across the aisle at my Liberal colleagues and do look forward to the day when that GST is replaced. I do not mean that the name be replaced; I mean that the actual tax be eliminated and we come up with a system that is less cumbersome and more fair for the small business community.

There are three good features we have seen developed over the last number of years. On the top of my list in terms of support, assistance, encouragement and nurturing for small business operators is community futures. I do not know what other people have had in terms of experience with community futures but I want to mention what I have experienced.

In the Kamloops area we set up a community futures called Thompson Country Community Futures Society. Over the last number of years hundreds of new businesses have resulted from that government program, but not the government program per se. Obviously individuals who had the ideas, the energy and the dedication to see these businesses through to completion were the critical ingredient.

• (1615)

However, the community futures program was able to provide start up funding in two ways. One program working in co–operation with Employment Canada enabled people to continue receiving unemployment insurance while they started up a new enterprise. It has been very helpful and very successful. Everyone would acknowledge that the chance of a person starting up a small business getting into a profit making situation in the first few weeks or months is very remote.

The program enabled individuals who had lost their jobs and were eligible for unemployment insurance to continue receiving unemployment insurance for a number of months while they started their new enterprises. That made the difference. That gave them a leg up, a small opportunity to provide for their families at the same time as they were starting their new enterprises.

Another program attached to community futures was the one where small businesses with good business plans could apply for up to $75,000 in funding. The decision is made by successful local business people who know the region, know the area and perhaps even know the individual. They have a very sound appreciation for what businesses are successful, what businesses have a good chance at being successful and what risky areas should be watched. They evaluate business plans put forward often with help from the Thompson Country Community Futures Society and make decisions.

They are loans, not grants, with modest interest rates attached to them with often generous payback programs that are rather creative in terms of paying back the money being borrowed. They are provided to new firms, particularly the ones that do not qualify easily in terms of usual categories for bank funding, particularly people who are trying new market areas, new technologies or creative new age businesses that do not have a lot of inventory to use as collateral in the traditional approach to lending of financial institutions.

The Business Development Bank of Canada is playing a more positive role now than it has in the past. Over the last number of years to say that I have been disappointed with the role it has played would be understating my concern. I looked at the old FBDB operation and compared it to the Royal Bank of Canada, the Bank of Montreal or whatever. It seemed that it was the most conservative lending institution on the landscape and was certainly of little help to small business when it came to lending. When it came to case counselling and so on it was another matter. That has changed somewhat and I appreciate the thrust of the new legislation is a step in the right direction.

As my friend from Western Arctic indicated, banks and other financial institutions are changing slightly. They are moving slightly in the right direction. A lot of credit goes to members of Parliament, other individuals and organizations that have mounted pressure. They pointed out that banks were simply not fulfilling their roles or were not being helpful to this growing and creative sector.

There have been significant movements in terms of bank policies with the creation of a small business trouble shooter all banks now have in place. It is somebody to phone, to complain to or to ask questions about why a loan was turned down. There is much greater sensitivity in terms of funding women entrepreneurs, women business persons and aboriginal borrowers.

It is not that I think banks are not particularly creative themselves. They are responding to public pressure. They now realize these are areas they have to move into. Perhaps a little less altruistic, they are responding to the fact that as First Nations peoples settle land claims vast amounts of money may be involved. I suspect some banks are looking forward to getting involved in that operation as a financial growth possibility and perhaps have more of an interest in funding aboriginal enterprises. Nevertheless, in reality there is positive movement in all those areas.

• (1620)

I point out what I think is a particular problem area. Again I acknowledge there have been some improvements in the last little while. The government's procurement programs have assisted a number of small enterprises in my own constituency. A variety of programs assist small businesses to develop new technologies. Hopefully we are looking forward to the information highway strategy. It is not only necessary but will be helpful in the development of small enterprises.

There is a need for more flexible financing, particularly in some critical areas of growth in the country such as the tourism or hospitality business. One situation that brings this to mind in my own constituency is an operation called Mike Wiegle Heli–Skiing Operations. It has been in operation for many years. It is a very successful heli–skiing operation that caters almost exclusively to overseas skiers from Europe who come for a week or two to ski down the glaciers of the mountains in central British Columbia. It is superb skiing. To set up a major resort in an isolated area far from airports or population centres and to obtain financing arrangements that allow some flexibility is extremely difficult. The Western diversification fund was helpful in the start–up period, but if we are to assist businesses to expand into new areas and if we are to be successful, we have to find ways to be more creative, and I aim these comments particularly at financial institutions.

The legislation is pathetic. I will not say much about it. Enough has been said. It will go to committee. It is a continuation of the same. It is certainly helpful. The SBLA has been helpful to many small business operators across the country including the Kamloops region, but there is much more we could do.

Let me summarize by indicating a critical initiative we need to take. When I say "we" I do not mean as a Parliament or as a government; I mean as a country. We all acknowledge that for a business to be successful or perhaps even for an individual to be successful there has to be some kind of plan, strategy or blueprint. There has to be a flexible business plan that acknowledges changing times and so on.

We need something similar as a country. We could call it the business plan for Canada. We could identify areas where obvious growth potential exists and where we would be putting our special efforts as federal, provincial, regional and local governments, financial institutions, business organizations, investors and entrepreneurs.

We can look around the world at countries that have been more successful than ourselves when it comes to economic development and job creation. It tends to be countries that have a business plan in place which everyone acknowledges. Maybe they do not agree with it but at least it is acknowledged. It sends a signal to banks of the direction of the country for the next decade. It signals entrepreneurs and investors of a direction, whether it is in pharmaceuticals, agri–business, tourism or whatever.

Some kind of national Canadian business plan would be appropriate. Then we would have to find out where we fit into it. What role would the federal government play, if any? What role would the provincial and regional governments play, if any? I suspect there would be significant roles. With that plan we would be much more successful.

Granted, this is most successful with smaller countries in which it is a lot easier to come up with a consensus in terms of direction and development. We are the second largest country in the world geographically and it causes problems that we are experiencing virtually as we speak. It is something we must look at, and it would be a business strategy for the country for the next decade or two.

I will take leave and look forward to committee work and to debating the bill at third reading.

* * *

• (1625)

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Kilger): Before proceeding to questions and comments following the hon. member for Kamloops, I have a statement to make concerning private members' hour for tomorrow, Friday, October 27, 1995.

I have received written notice from the hon. member for Fraser Valley East that he will be unable to move his motion during private members' hour tomorrow.

[*Translation*]

Since it was impossible to arrange for an exchange of positions in the order of precedence, pursuant to Standing Order 94, I ask the Clerk to drop this item to the bottom of the order of precedence. Pursuant to Standing Order 94, the hour for private members' business for tomorrow shall be suspended, and the House shall continue with the business before it at that time.

* * *

[*English*]

SMALL BUSINESS LOANS ACT

The House resumed consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, one of the great things the member for Kamloops brings to the House is his ability to remind the Liberal Party from time to time when it tends to move a little too far to the right. The Reform Party influence is pretty obvious in the bill, but we have to focus on some of those matters.

The bill will go to committee. Contrary to what the member said, the bill cannot be amended by regulation. We will make that amendment in committee. Hopefully all members will continue in the same spirit we have had in the committee to amend the bill.

The member alluded to an idea in the first part of his speech about young entrepreneurs needing access to start up capital. It was a very important insight into a very important issue all of us in the House must address. Even Reform Party members would agree. I notice they are agreeing.

I also noticed something in my own community. I ache when I see some young talent that has just finished engineering school or university and the old institutions or the larger corporations that used to be there to provide their first jobs are no longer hiring young people. Many of them are frustrated, and we have not addressed the issue head on in terms of providing entrepreneurial support systems that are required if they are to get going.

I am thinking aloud. When we go into committee I would be interested in the member's views or thoughts on looking at the whole list of criteria in the Small Business Loans Act. Should we look at the notion of including a clause in the bill that deals with young entrepreneurs? The bill could be a tool used by banks to make them a little more sensitive. Obviously the bill will help bank managers take the extra risk they probably would not take on their own.

What would the member for Kamloops say about possibly looking into that area as a way of altering the bill to look after young entrepreneurs?

Mr. Riis: Mr. Speaker, we acknowledge that in the early days SBLA was intended to be a mechanism to provide encouragement for bankers to lend money to small businesses. In the same spirit, there is a new concern out there which the hon. member has described well. It may be an opportunity to encourage the banks to take advantage of the SBLA to provide necessary funding to these newly emerging group of entrepreneurs.

• (1630)

A mechanism is about to be put in place to track the lending of financial institutions and to see where the loans are going and to what extent the banks are responding to the new needs in society. It is a useful step.

It is time to look at new mechanisms and I will very briefly mention one. Some states in the United States had a vehicle called agri–bonds, that were somewhat like Canada savings bonds, to provide agricultural funding. These were set aside for agricultural use only. Farmers and ranchers were encouraged to invest in agri–bonds knowing that the money would go back to assist hard pressed farmers in their state. That is a bit of a generalization but it summarizes the point.

Troublesome areas, such as tourism related businesses, where it is difficult to find funding for new tourist related projects, should be identified. Could we not consider the development of a "toury" bond as opposed to an agri–bond? Investors would put their money into a toury bond, knowing that the money would go to help new Canadian hospitality related businesses to expand or be created. It would be a way to direct money to tourism, as opposed to the old favourite of much of the money, the RRSP, a certain percentage of which is being invested overseas or in other countries. I would like to see a little more channelling of some of these funds into troublesome areas such as tourist or hospitality related industries.

It is another idea on which my friend from Broadview—Greenwood could respond at some later time. The Canadian toury bond could be a take–off on the U.S. agri–bond.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to tell the member for Kamloops that I found his speech very interesting. I share his enthusiasm for small business and realize the importance of it. I am concerned about one particular item, community futures. I would like to have his expertise on this.

Taxpayers' money is being used by community futures. Granted, some of the businesses that apply do very well and have some excellent results. However a high rate of those businesses do not succeed and, at least in the ones I happened to scrutinize, there does not appear to be any accountability for losses. This is the taxpayers' money and I am sure taxpayers feel they should know how it is being spent. The Privacy Act seems to get in the way when we inquire about accountability.

I wonder what the member for Kamloops feels regarding losses in the community futures program and does he feel there should be some accountability?

Mr. Riis: Mr. Speaker, I appreciate the question. Of course there needs to be more accountability built into the program. That is one of the continuing areas of concern with the community futures program.

In my estimation and my experience the value of the program depends on the personnel who manage it and the expertise of the individuals who decide who gets a loan and who does not.

In Kamloops we have had a very high success rate. But there will be losses, just as there are losses with bank loans and other kinds of loans. Even if there was a certain loan loss, it might be an indication of some success. The role of community futures seems to be to provide funding for those relatively high risk business ventures that cannot, for whatever reason, obtain funding from more traditional lending sources and therefore appeal for support from community futures boards.

If I may use this opportunity to mention a shortcoming of the existing system, individuals who have submitted business plans and have what appear to be good business ideas and are encouraged to continue, but when they are rejected it often seems to be just luck. They are just rejected. The client walks away after spending many weeks or months preparing a thoughtful, careful business plan only to have dreams and hopes shattered. We must have a better system of appeal or a follow–up educational program to indicate to those men and women where they may be a little in error in their planning. This is another shortcoming.

• (1635)

Of all federal government programs of which I am personally aware and have some understanding of their use and value, this community futures program is far the best.

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, before I was listening closely to the member for Kamloops. I know of his interest in the banking industry, of his lengthy experience here in the House and I believe on the finance committee.

In his remarks he used words such as deeply disappointed and pathetic and other kinds of language. However, in Toronto recently with the Standing Committee on Industry we heard from the banks. I believe the testimony was in July or August. In the promotional material from either the Royal Bank or the CIBC, in which the hon. member had spent six weeks, it was using comments of his praising the banks. I was disappointed to see that.

It gives me pleasure to speak to this bill. The provisions of the bill are the result of consultations with leading Canadian business people such as the Canadian Federation of Independent Business. Equally if not more important to the undertaking was the report of the Standing Committee on Industry "Taking Care of Small Business". I had the privilege to sit on that committee as a government member from western Canada.

The legislative measures introduced in Bill C–99 are ultimately about access to capital for small business. Following the recession which began around 1990 small businesses in Canada had undergone unprecedented restructuring for a new and emerging global economy. These challenges have been more difficult because of the impediments and constraints to access to much needed capital.

Bill C–99 through amendments to the Small Business Loans Act will provide a more predictable relationship between the banks, the Government of Canada and the business community. I will not reiterate here the specific provisions of the SBLA but will merely state its intent and purpose is to enhance that financial environment and relationship between borrowers or small business and the Canadian financial institutions.

Stated very simply, the Government of Canada agrees to stand with small business and where the banks have refused to take the risk on new or expanding businesses, the government will partner and stand with small business to ensure small business loans are available to those who need it the most.

It is instructive to state that legislative changes are, in addition to reacting to the recommendations of the business community, in keeping with the government's belief that small business wants this government, and indeed all governments in Canada, to reduce their expenditures including those which include direct and indirect subsidies to small businesses.

In recent years the SBLA program has cost taxpayers almost $20 million to $30 million a year. However, the loan loss coverage for the year 1994–95 is estimated to run at close to $100 million, threatening the sustainability of the program itself.

Of equal importance is the fact that 40 per cent of the loans covered by this insurance program would have been made regardless. We are told by outside experts analysing the loan applications made through the banks that 40 per cent of those loans would have been made anyway. They did not need this expensive coverage that government was providing.

• (1640)

Without the high cost of the subsidy these firms would now be seeking financing at a much lower cost than under the provisions of this bill. Furthermore, this will allow those firms that really need financing to have those 40 per cent move out into the traditional lending areas and those new small businesses will occupy the space at the bottom or the top of the lending priorities and we hope creating new jobs.

During the presentations made to the committee on industry the witnesses told members that they would be willing to pay higher premiums, for instance, in the knowledge based industries if they could get the capital needed. Repeatedly the 60 interveners and witnesses that we saw and an equal number the presentations that were submitted to the committee were saying to us that they did not mind paying 1 or 2 per cent more on a loan because if they have a knowledge based industry they are prepared to pay that kind of money to the financial institutions if they are willing to take a risk on them. The point spread was not the real issue.

It is interesting that small business community people continually talk about the importance of the cost of borrowing money. They were so convinced of their product, so convinced of their market access, so convinced of their success in those small businesses, that they did not mind paying another point or two. They needed an opportunity and somebody to stand with them to take a risk on those businesses.

I would like to talk for a moment about western Canada and in particular of my riding of Provencher in Manitoba. Farming and small business is really the backbone of that constituency. Increasingly I am told by finance officials in the department of finance in Manitoba that small business in the agricultural sector is going to increasingly in the 21st century provide the cash receipts for the finance department as well.

This reflects the fact that in western Canada the number of people employed in small businesses is almost 40 per cent. What is really striking, and a lot of folks perhaps do not realize it, is that in Ontario it is only 32 per cent. These statistics are quite revealing and demonstrate clearly to me, as a member from Manitoba, the importance of small business in western Canada and in the next five or ten years how important this sector will become in our area.

During the first quarter of 1994 in Manitoba, for example, companies with up to 50 employees accounted for almost 20,000 jobs, far in excess of those larger companies with 300 employees or more. In 1994 companies with less than five staff also accounted for many of the growing small businesses in Manitoba. I am told 4,737 new business name registrations were filed in Manitoba in 1995.

A profile of these is very important. I speak to this issue as a member from rural Canada, from rural Manitoba. A profile of the start–up businesses in western Canada demonstrates that a typical new firm, 87 per cent, have less than five employees and for the most part, 57 per cent, are located in rural areas and run out of the homes of the operators. In other words, most of the small business growth is probably a young or middle aged couple who have started a small business out of their home, are looking for a loan, probably less than $25,000 to start. This is what we are told in the data we have received from the banks. These small businesses are creating the jobs in rural Manitoba and indeed in my riding of Provencher. There have been great gains made in terms of the start–up of companies. In 1990 there were almost 600 registered bankruptcies in Manitoba. In 1995 there have been 96. That demonstrates quite clearly what is happening. The economy and the dynamics of capitalism are restructuring. Larger companies are laying off people but young entrepreneurs are stepping up to the plate, trying to get access to capital in order to start a small business.

• (1645)

Here we see a profile of the 21st century entrepreneur who is younger, working out of the home and more likely to be involved in agriculture related small business.

What is the federal government doing? In addition to the changes to the SBLA and the Small Business Development Bank of Canada, what other kinds of measures is the government employing, particularly in western Canada, to help these people?

Through the auspices of the Department of Western Economic Diversification the government will provide a fund of $30 million for debt capital. These resources will be directed toward biotechnology and agri–biotechnology with loans ranging from $50,000 to $500,000. There is also an innovative 10–year program creating a $100 million capital pool to assist Canadian agricultural value added processing firms through patient debt capital. The government will partner these agreements.

The banks have complained both publicly and to the standing committee that in responding to the needs of the business community the government was bank bashing. I want to make it clear this was never the intention of the committee. It was merely to prod the banks, as the hon. member for Kamloops suggested, to open up their gates for small business to have access to capital.

Congratulations to the banks for doing that. The Royal Bank of Canada and the Canadian Imperial Bank of Commerce have joined with the western economic development fund to provide this patient debt capital and they should be applauded for that. However, there is a lot of work to do and a long way to go.

What the government is prepared to do through these public and private instruments is reach to the small business community, to stand with it and encourage it to take the necessary risks.

There have been a number of recent initiatives in my riding which are important and give testimony to the growth in the agricultural and small business sectors. There is a great change going on not only in the small business sector. As we have heard many times, the government is cutting back on its expenditures. That is what the Canadian people have asked it to do. The government has made changes to the Western Grain Transportation Act and those subsidies to business pursuant to its obligations under the WTO.

What has been the outcome of these programs in western diversification? Recently I had the privilege with the Minister of Western Economic Diversification to join with 25 farmers from the Altona region of southern Manitoba, where we produce some of the best durum wheat in the world, to provide them with a $1 million loan for a pasta plant.

These are the initiatives young farmers are asking the government to undertake with them. They intend to build a $5 million plant. They will put in $1.5 million of their own money and hopefully there will be a financial institution, perhaps in southern Manitoba, which will step up to the plate and say it believes in the process as well. It will create jobs in the community of Altona and St. Jean.

It is vital to not only ship our raw resources out of the country but to keep them within our borders, to create the value added, to create the jobs, to keep the wealth and the technology in Canada. This is increasingly important.

• (1650)

Recently there was an announcement by McCain of a $55 million expansion of its potato processing plant. I had the privilege of joining with some private sector investors and my colleagues in the province of Manitoba, the provincial government, to make an announcement for a $55 million canola crushing plant.

Farmers, rather than paying $800 to ship their canola to the west coast or through Thunder Bay, can now drive their trucks 50 or 100 miles down a two lane highway to deliver that product to that plant. The jobs and the wealth from the value added of that product will stay with those farmers.

The pasta plant provides such a dramatic example of that. Farmers last year were getting about $160 a tonne for durum wheat used for pasta. Astoundingly, Canadians had imported 77,000 tonnes of pasta, packaged, at a price of almost $1,600 a ton. It is a great idea that the Government of Canada would stand with those 25 farmers and say: "Instead of shipping your product to the U.S. where it is being processed and shipped back to Canada, we will provide you a loan, not a grant, not a giveaway, a loan". Through that loan and working with those people that $1,600 will stay in our communities. That is a good thing, a positive thing.

We are expecting within a few months, after the announcement of the changes to the Crow, close to $500 million of investment in Manitoba alone. The banks have a role to play in this. The government cannot repeatedly be the instrument and the primary catalyst for these kinds of undertakings. The banks have a fiduciary responsibility, having the privilege of banking in this country, to act and react and join in partnership with small business. This is the one of the key areas they have forgotten.

I conclude my comments on a recent initiative in my riding of Provencher, again through the auspices of the minister responsible for western economic development, with the francophone communities in Manitoba. The francophone communities have developed a francophone chamber of commerce with ten different communities, six of which are in my riding.

We have said we are willing to stand with those communities and work with them to utilize their capacities of their French language, their entrepreneurial skills, their low labour costs, their style of living which is outside of Winnipeg in wonderful communities. If they choose they can send their children to an English school or to a French school. There are both there. We have stood with these mayors and reeves and people in the French communities to provide funding of up to $1.5 million over five years to work with them.

We hope and believe that people from across the country and indeed the world will invest in those French communities and capitalize on their capabilities in precisely the same way that Mr. McKenna in New Brunswick has been doing over the last two years.

This is a clear example of a French community in western Canada, in rural Manitoba, whose origins are from the St. Maurice valley in Quebec, Lagimodière and the first settlers who came from the St. Maurice valley and settled in the west, whose descendants are Louis Riel, the first member of Parliament for Provencher, the seat I now occupy.

I am here to report to the House that these French people I service and have the privilege of servicing in the riding of Provencher in rural western Canada are doing very well indeed.

They have their French language. They have their French culture. They have their French communities.

• (1655)

They are not asking to remove themselves from Canada. They are not asking to tear themselves apart from the people of Manitoba. They are telling me to tell the House they are doing very well and that they are joining with the Government of Canada in these kinds of initiatives.

They are not abandoned. We are with them. The Government of Canada is with them and I believe all Canadians are with them.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I was enjoying the speeches of the hon. member and the hon. member for Kamloops.

One certainly has to agree and be thankful and glad for individuals being successful in the member's riding on these new enterprises. The help they got is great.

The difficulty was mentioned by the speaker from Kamloops when he talked about a survey he did in his riding. He talked about what we can do to help enlighten the ideas of new enterprises and help them begin and grow; not just for new entrepreneurs but for older ones who may change careers from time to time.

All of that is very important. It is especially important when one hears his response when they say get out of the way, get out of the way.

In the early part of the 1990s in my area of Wild Rose, which is likewise rural and small towns, many small businesses through the first two or three years following the GST went into receivership. In many of the cases they declared the GST was the straw that broke the camel's back.

They were struggling. They were having a tough time. Along came the GST and that really brought the final crunch. That was not the case in all of these. I am sure every member would be able to find some enterprise that flopped specifically because of the GST.

People say to the governments get out of their way, stay off their backs, stay out of their pockets and they will make it. Give them that initial boost they need. I certainly support that idea.

I carry with me in my briefcase the red ink book, the book of broken promises. It says the Liberal government will replace the GST with a system that generates equivalent revenues—I worry where that equivalency will come from—is fair to consumers and to small business and minimizes disruption to small business, all very key statements and very important.

I also read of the mandate of 12 months for this to happen. We are now in the 25th month and nothing has happened with the GST. It would not be fair of me to ask the hon. member why the deputy minister has not resigned with the promise of doing so within this 12–month period.

I wonder if the member could enlighten the House in any way as to what small business has to look forward to beyond being able to get started. That is the first step. Will we achieve things to help them continue and get out of the way and not be disruptive?

Will we see the GST replaced? How long will it take? Obviously it will take longer than this book says.

Mr. Iftody: Mr. Speaker, I thank the member for his question. He raises some valid points and concerns. It is no small secret that the Canadian business community is very concerned about the goods and services tax. It was concerned about it when it was announced and of course it still is. However, that never did the government or the Prime Minister or the Deputy Prime Minister say that we did not need the revenue. In its previous form as the manufacturers' sales tax in 1984 of 9 per cent and then moving up, I believe, in 1992–93 to about 13 per cent or 14 per cent, prior to being changed to the GST, the Government of Canada has been dependent on those revenues and will continue to need them.

• (1700)

The difficulty is the structure and the nature of the tax. The member is quite correct when he states that the imposition of the GST had an inflationary effect and stalled purchases. For example, someone may want to build a home in the riding of Wild Rose or Provencher. That person would order a $100,000 of materials and then there would be labour involved. When taking that lumber out of the yard that person would be stopped at the gate and charged another $7,000. That, of course, is going to kill investment and purchases. I think people have been painfully aware of that.

The government has made it quite clear, particularly leading up to the next budget that we will be addressing the matter. The parliamentary secretary has spoken about the GST only in the last couple of days and mentioned that we are equally concerned about it on this side of the House.

I ask the hon. member from Alberta to speak to his provincial counterparts and ask them to join with the other provinces and with the Government of Canada to work out some reasonable solutions to deal with a harmonized tax which will be in the best interests of all Canadians and therefore the Canadian economy.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is appropriate at this time to recognize the member for Provencher for all the work he has done in our industry committee during the last two years.

When we started the debate on how we could improve access to capital a lot of people thought we would have one or two meetings, bring the banks in and they would probably give us a good public relations speech which would take our eyes off the ball and we would then lose focus on the issue.

I acknowledge the member's courage, commitment and support in keeping a rigid focus on making sure the whole bank attitude toward small business really changed. It was not just a PR show then put on the back burner. It is something we have stuck with over the last two years. The member for Provencher has made a fabulous contribution to the industry committee. I know all members from the Reform Party and from the Bloc Quebecois would certainly support the view I express here today.

My question for the member has to do with the great story about the past operation in his riding, the value added. That was an exciting story for me to hear. I felt like I wanted to rush out to Manitoba. It sounds like there is more action there than in a lot of the regions in the country. I salute the member for that.

I want him to tell me why those entrepreneurs got so excited and moved from exporters of raw products into taking the risks of turning themselves into manufacturers, taking a raw product and going to the finished packaged good? How was that done?

Mr. Iftody: Mr. Speaker, I appreciate the question. Basically, the praise for this particular initiative rests not with the member for Provencher but with the Prairie Harvest farm group from Altona which came up with the idea.

• (1705)

The role of the Government of Canada throughout this whole process has been one of facilitator. These kinds of innovative ideas with respect to secondary processing of our natural resources, which the World Bank has just said that Canada is number two in the world, have been there for quite some time.

I point out our trade difficulties with the U.S. and the cap on durum wheat which was unfairly placed on us by the Americans. The Government of Canada responded to that unfair trade action by going through the office of the Prime Minister to the minister of agriculture and indeed the minister of western economic development to say: "If we cannot ship our durum over the border, let us be really smart and keep it in our own back yard. We will process it and sell it to Canadians and Americans".

The short answer is that the Prairie Harvest group out of Altona came up with an idea, approached the Government of Canada for some help and we were glad to act as a lever on this important project.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I did not intend to speak on this bill but there are some things that have concerned me for some time about small business and this is an opportunity to say a few things.

Bill C–99 gives access to capital for small businesses in Canada. My concern is basically if it is really looking at small business, the value of small business to our country and just what small business needs. That is where my concern stems from, where the banks have refused to take a risk. I contend that the banks should have taken a risk in the past. We do have the Federal Business Development Bank which was in the past supposed to be the bank of last resort. Often this has not been the case and somebody else has had to come up with the funds.

If we are talking about other programs for small business, like community futures, it really does depend, as the member for Kamloops said, on the expertise of those that run those programs. I have had some experience with it and I have found that perhaps that is one of the reasons why some of the losses are a little greater than they should be.

Of course there is risk involved. There is a risk involved for anybody going into a small business and we expect some losses. However, we do not expect the amount of loss to be higher than normal businesses would have going through the banks.

There have been some successful businesses through the community futures. Some good ones are still running right now in my community. However, the difficulty with the community futures program is that some of the businesses that are successful could have been funded by the Federal Business Development Bank which is the bank of last resort. It should have been funded there, not with the taxpayers' dollars in another program.

What I am trying to say is that community futures has to be accountable. There is no bottom line. We have a Privacy Act and we cannot access that information. That is not acceptable to the Canadian taxpayers. I found the rate of losses higher and, being unaccountable, therefore unacceptable to me as an MP responsible for taxpayers' dollars.

I felt that the people going into the community futures program were protected so that perhaps the incentive to succeed may not be as great if one knows one does not have to worry if one has a loss. In small business there is always a challenge and a risk. Those people who go into a small business are usually

entrepreneurs who have some wonderful talents and expertise. We usually see good results. Unfortunately, often in community futures we do not see this because the accountability is not there. Wherever we do not have accountability we have a future problem of breakdown.

The purpose of the Federal Business Development Bank is that it is a bank of last resort. It is supposed to be the money lender of last resort.

The member for Kamloops said it very well. He said that small businesses just want the government to get out of their way. Being in small business myself I can say that this is exactly true. We need a healthy marketplace if we are in business. We need to have fewer burdens on us.

• (1710)

The tax structure is far too heavy today to encourage anyone to go into small business. The first couple of years are difficult. In the past if businesses had troubles the Federal Business Development Bank was not always there to back them up but often put them into receivership at a time when all they needed was some support to get through. I would suggest the Federal Business Development Bank has not always done its job in the past.

Small businesses want less government interference. They need some incentive. We are talking about younger people coming into the marketplace. I have often mentioned this in my community and I have talked to small businesses in my community about this. There is a program in Europe where small businesses apprentice a younger person coming out of a college, a technical school or whatever. If our small businesses apprenticed a young person for a year, they would be providing a training program built into the most natural area possible. It would be built into the marketplace, the economy, into a natural spot in the economy, in a working spot in the economy.

When speaking to small businesses this is an avenue we could travel. Considering small business supplies about 80 per cent of jobs, I feel this is an ideal opportunity for our young people that are unemployed with nowhere to go to get the training they need if they do not have it.

Why is the small business person going to do this? There would obviously have to be some incentive. Perhaps a tax break in some area would help as small business is overtaxed already. They have the fewest tax breaks. Big business seems to qualify for them where small business does not. I would really like to see the government take a look at some serious ideas for helping small business in this area.

The banks have not always lived up to their responsibilities. They are there to encourage small business and they are there to do it in a realistic way.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I have enjoyed today's debate because it clearly illustrates the different philosophies of the different parties. We on this side believe the role of government is to act as facilitator, to aid small businesses, to give them the types of tools required not only in the financial sector but also in the development of human resources.

The hon. member who has just spoken cited some of the areas in which she would like to see an improvement. She was referring to the concept of developing an apprenticeship system which might give some tax breaks to small business and providing the sorts of incentives that would result in the development of the type of workforce that may be more in tune with the economic reality of today's marketplace.

The federal government has initiated a number of programs in co–operation with the private sector which speak to the issues raised by the hon. member.

I had the pleasure on August 28 to be in the province of Quebec with the president of Chrysler Canada, the CARS Council and a local school board to engage in the type of partnership that will lead to approximately 1,000 jobs for young people. This is done through the youth internship program in co–operation with the National Sectoral Council.

I would like to speak about these initiatives because they address the human resources planning that a modern, developed nation should be addressing. In fact, surprisingly, the minister of education from the Parti Quebecois was present and co–operated with the federal government in kicking off this initiative.

• (1715)

What does this really mean? It means that we on this side of the House have realized we cannot have a program for every challenge we face. The answers are really found at the community level, at the industry level. Our role as a government is to bring about the meetings of the minds around the table, so that we can institute programs which deal with the challenges of the ever changing nature of the workforce.

At that announcement, Chrysler committed itself to provide an internship program for 200 young people. The sectoral council initiative committed itself to a cumulative number of 1,000. That means these young people will go through an internship program and will have a job waiting for them at the end of their one year or nine months worth of training.

This federal government initiative has been extremely successful. Under our red book commitment we originally stated that 24,000 young people would participate in this program. To date, 27,000 young people are participating. They are participating in programs I am certain will bring about positive changes in their lives.

Equally important is that for the very first time all sectors of our society, the educational institutions, industry, labour and management, together are addressing standards for the industry. They are addressing issues and concerns that have blocked the progress of a particular industry.

Whom are we linking these industries with? We are linking them with Canadians who are willing to learn a profession or trade so that they will have the type of skills required in the ever changing Canadian economy.

Why are we excited about these prospects? We are excited because we see our role as a facilitator to be a very important one in setting the parameters of economic development within our country. That is one initiative which has worked very well. We have linked our initiative not just to any industry, but we have linked our initiative to industries that provide jobs with a future.

For example in the automotive industry, gone are the days when there were mechanics. Those are jobs of the past. My father was in the trucking industry for a number of years. He would have the local mechanic look at his truck and the mechanic would put his ear near the engine to hear the noises. That is gone. Computer chips are now a very important part of the engine. The job of a mechanic is obsolete. What do we do? We have to retrain people to become auto technicians, to give them the tools to understand how the new engines work.

I give that example because I think it is a fundamental one. It clearly illustrates how quickly our country and our economy is changing. In the same way we cannot fix a 1995 car with a 1965 car repair manual, we certainly cannot fix the challenges we face in 1995, whether it is labour market strategy or small business initiatives, with 1965 programs.

• (1720)

This is very important to this government. It is for this reason that we have taken up the challenge to modernize Canada's social security system. This is the reason we are reviewing all our training programs. This is the reason we are promoting innovative programs and effective and strategic partnerships that speak to a modern economy.

How does this translate to the local reality where I live in my riding? What does this all mean to the residents of Aurora, Woodbridge, Maple, Richmond Hill, Oak Ridges, King and Nobleton? What does it mean to the over 260,000 people I represent in the House of Commons? How do I as a member bring about this vision of how we modernize and become more innovative in real terms? How do I make the translation from this beautiful Chamber of the House of Commons on to where the people live, play and work?

Yesterday was our anniversary as elected officials here. I have spent the past couple of years building the partnerships required to have real change occur at the community level. Last year I began planning and setting priorities for my area. I developed the York North technology strategy. Today I take this opportunity to outline some of its major principles.

Along with the residents of York North, I have realized quite clearly that in order to succeed in the new economy we cannot fear technology. We cannot fear technology infusion in the workplace. We cannot fear that in certain cases technology may reduce employment opportunities in old economy industries.

Instead of fear, the response I received from the residents of York North was one of excitement. Change in a society brings about two emotional responses: one either gets anxious about change or one gets excited. The people of York North decided that there was no great happiness in being anxious about change and technology and that we should not only absorb the technological revolution which is occurring globally but we should also find ways in which we could lead the way in our area.

I called a meeting of local stakeholders in my community, mayors, business representatives, members of labour unions. I called local school boards and people from the Career Foundation, the foundation which brings all these people together. I said that perhaps we should begin to experiment to find new ways of dealing with the technological changes that were occurring.

On September 11, 1995 we announced a major local economic development strategy, the York region strategic alliance. For now, it is a pilot project. What does it do? It gives the businesses in my area an opportunity to place their business in a database which can be accessed worldwide. We are not happy with just being able to access it within Canada. We understand the potential for export. We also are fully committed to building worldwide strategic alliances in order for business in my community to prosper. This is what some of the partners have said about the initiative.

• (1725)

Steve Quinlan, president of Seneca College, said that Seneca College, York region, the federal government and other partners have co–funded and developed a strategic alliance partnership to strengthen opportunities for jobs and growth. This initial research is a valuable resource, using information systems technology to rapidly assess regional needs in response to a changing global economy. This initiative is a pilot model to show how business, government and education can in fact work together.

Eldred King, chair of the Regional Municipality of York, stated that the strategic alliance initiative is an important component of the region's visions and plans for the 21st century. The region must provide leadership if change is to occur. He said that their plans strike a balance between economic growth, healthy communities and sustainable development.

Mayor Lorna Jackson from the city of Vaughan said that she was very excited that Vaughan was chosen as the test site. Not only is it one of the fastest growing cities in Canada, it is a bastion for industry. She stated: "I have no doubt that we will serve our country proud".

The reason I bring these names to the floor of the House of Commons is to clearly illustrate to Canadians that partnerships at the local level can work. Government, business and labour can come together to create the type of environment in which jobs flourish. This partnership is not just found in the riding of York North, it is found in every single community in Canada.

Hon. members should return to their ridings and engage local stakeholders to take charge of the future of the community. They should excite people about the new economy. There are great opportunities.

If there is one thing about the information highway, if there is one thing about the new economy, it is that they have redefined time and space. They have made geography less important. Now we are linked by satellite. The information highway will link us to the world. This is something we should be getting excited about.

We need to give people the tools. That is why I am happy with the commitment of the federal government to establish the Canadian Business Development Bank, which is providing people with the important capital to start their businesses.

That is why I am happy that on October 2 of this year I was able to establish the Vaughan Technology Enterprise Centre where 60 young people will be taught entrepreneurial studies. They will be linked with small business people in the community in a mentorship program. They will acquire the skills which are so important in creating jobs.

That is why I am so happy that the federal government has a program called self–employment assistance which has enabled 34,000 unemployed Canadians to create their own businesses. Better still, not only have they created businesses, they have created over 68,000 jobs.

That is the type of transition we want. We want people to get off the unemployment rolls of the country and onto the payrolls of this nation. It is happening in every single community.

I have a very clear message that we on this side of the House understand the important role small business plays. We want to clearly reach out in as many ways as possible to bring about positive change, jobs and healthy communities throughout this land.

The Acting Speaker (Mr. Kilger): I would like to inform the House, particularly the parliamentary secretary, that when we resume debate on Bill C–99 he will have approximately five minutes remaining, should he so choose, when the bill comes back to the House for debate.

Private Members' Business

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*]

PROTECTION OF PERSONAL INFORMATION OBTAINED BY CERTAIN CORPORATIONS ACT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.) moved that Bill C–315, an act to complement the present laws of Canada that protect the privacy of individual with respect to personal information about themselves obtained by certain corporations, be read the second time and referred to a committee.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it is a pleasure to speak to the House today on the issue of personal privacy and specifically on Bill C–315.

Canadians are living in a world that seems to get smaller with each passing day. The distances that separate us from our families and friends are becoming easier to traverse. It has become easier to communicate with our families and with others around the globe. Sometimes, though, it feels like these same distances are becoming a little too short and the rest of the world is getting a little too close.

What has led to this dramatic change in our society? The answer is simple: the industrial and technological revolution that has so dramatically changed the face of Canada over the past 100 years. The telephone has brought friends and family from hundreds of miles away to within earshot of our voice. The car and the aeroplane have reduced long distance trips from months to a matter of hours. The computer has put volumes of information at our fingertips. The Internet has provided a gateway for the free flow of information to a knowledge hungry world.

Each of these changes has brought convenience to our daily lives. With each change came a loss of some small piece of our personal privacy. Historically our laws and traditions have responded to some aspects of the loss of our personal privacy. Trespassing laws and exclusion orders, for example, keep those we do not want to associate with at a distance.

Recent telephone innovations like call display and call blocking help us see who is trying to contact us and help us prevent unwanted calls.

Where we as a country fall short, though, is in our response to the growth of computer technology. This technology has the ability to retrieve, store and send vast amounts of information. The information age has brought a booming industry, creating a $300 million per year industry in the buying and selling of personal information.

Ontario's assistant commissioner for privacy recently exclaimed that privacy as we know it may not exist in the year 2000. The Privacy Commissioner of Canada, Mr. Bruce Phillips, agreed when he stated earlier this year that Ottawa should consider protecting the right to lead a private life and that in the next year or two is really going to tell the tale. Mr. Phillips clearly believes it is time for action in protecting personal information.

The Privacy Commissioner of Canada is not the only one who believes the time is now to protect privacy. The information highway advisory council, created by the Ministry of Industry, reported last month: "Manipulation of data may occur without the consent of the individual from whom it was collected. Moreover, the information is often used for purposes unrelated to those purposes for which it was originally collected. Because of the enormous potential for abuse there is a need for effective privacy protection. Only Quebec has enacted specific legislation governing its private sector. The council believes strongly that there should be national legislation to establish fair information practices on the information highway".

• (1735)

A recent Gallup poll conducted for Anderson Consulting, a private financial consulting firm based in Toronto, found similar concerns about privacy and the information highway: "Notwithstanding strong interest in the information highway, Canadians have a high level of concern as to how it may affect their privacy. Asked to indicate their level of concern for their privacy because information about them might be collected by companies involved in the information highway, 83.7 per cent described themselves as very concerned or somewhat concerned".

Bill C–315 responds to these calls for privacy protection. I should put forward a definition of the term personal information. The definition of personal information used in crafting Bill C–315 refers to data on an individual that are recorded. This could include name and phone number, business address and phone number, any identifiable physical characteristic, religion, national or ethnic origin, age or any information about education or financial history.

This information is recorded in many ways, including electronically such as on a floppy or hard disk, manually on paper or microfilm, or virtually as in computer memory or an electronic network.

Historically there are several sources that reaffirm the right to personal privacy. There is the right to privacy as guaranteed in both Bill C–62, an act respecting telecommunications, and in the 1989 case of the Queen v. Dyment, when it was established that the right to privacy does exist in Canada, that it existed before the charter of rights and freedoms and that the charter has not diminished that right. The CRTC has been vigilant in protecting this right especially with regard to junk faxes and messages.

There is the right to anonymity as determined by Telecom decision CRTC 92–7. In other words, all Canadians have the right to be left alone and the right to remain anonymous as they go about their daily activities.

In addition, the Organization for Economic Co–operation and Development, of which Canada is a member, has established a set of basic principles to help define and support the protection of personal privacy. These principles share a common theme that the collection of personal information should be open, accountable and limited to the purposes intended.

Canadians are often surprised when they learn how information is being collected and where it ends up. Personal information on Canadians is being collected in a wide variety of ways. Credit card applications, contest forms, polls and surveys, warranty cards, magazine subscriptions and other means are all used in one form or another to collect personal information.

By combining these individual client lists a detailed profile of an individual can be made without the knowledge of that individual. Firms in Canada and around the world are able to have multiple lists, cross referenced, and create a remarkably accurate portrait of an individual.

Allow me to quote from a recent consumer report study: "By overlapping the data available through thousands of information systems it is now possible to create a remarkable picture of anyone. That picture could include your age, income, political party, marital status, the number of children you have, the magazines you read, your employment history and your military and school records. A database might also know what kind of breakfast cereal you eat, the make of the car you drive and even the brand of diapers your children wear".

A recent article in "Telecommunications Policy" entitled "Will My House Still be My Castle?" added to this concern: "In the future things will be very different. It will essentially be one stop shopping for the data gatherer in the digital super highway. Information gathering, analysis, correlation and dissemination can all be automated, depersonalized and made inexpensive. The time to establish coherent public policies and safeguards is before such systems are in place and adverse precedents and vested interests become established".

• (1740)

Currently Canadians enjoy very little personal privacy protection. The current Privacy Act, Bill P–21, is limited to information held by the federal government and certain federal institutions. Similar laws exist in eight of our twelve provinces and territories.

In the Northwest Territories, the Yukon Territory, Prince Edward Island and Alberta action has not yet been taken to protect personal information held by these provincial and territorial governments.

When it comes to controlling information held by the private sector the picture is far less promising. Only Quebec has taken the bold step of limiting the sale and access of this personal information.

Through bill 68, the province of Quebec has given its citizens the power to say no to the sale or exchange of their personal information. No other provincial government has acted as decisively as Quebec in this important area. I applaud Quebec for its initiative here.

Even Quebec's law, though, is far from complete. Many areas of business such as banking, cable television and numerous transportation companies are beyond the reach of Quebec's bill 68. This leaves Quebecers as vulnerable to privacy breaches in the federal jurisdiction as their counterparts in the rest of Canada.

Private industry, in a bid to avoid further federal and provincial control, has tried to address these privacy concerns. The Canadian Direct Marketing Association has created a bureau to deal with client list complaints and circulates the names of individuals who do not want their names on any member lists. However, individuals must repeat the request several times a year to ensure their names stay off the computer lists. As well, not all direct marketers are members of the CDMA, making privacy protection a hit or miss exercise.

Recently the Information Highway Advisory Council called on the Canadian government to regulate the flow of personal information. The Canadian Banker's Association has also created a set of voluntary privacy guidelines. According to a director with the office of the privacy commissioner, though, these guidelines are wide enough to drive a logging truck through. The bank guidelines are so ineffective that the Royal Bank of Canada admitted in 1993 that it sometimes included client card numbers, names, ages and addresses to market research firms without the client's knowledge.

We have to face the facts. Self–policing is not working. I have seen case after case in which guidelines and bureaus have turned their heads when the corporations break the rules or, at the very best, have given them a very light slap on the wrist. Industry has clearly failed Canadians in this area and it is time for Parliament to take action.

With this in mind let us turn our attention to Bill C–315. The bill stems from the concerns of a constituent of mine, expressed to me when he learned he had ended up on some questionable mailing list through which he had received advertisements for explicit pornographic material. After doing some extensive research I learned the federal government has yet to seriously address the issue of personal privacy.

Bill C–315 is the first step in addressing this serious oversight. The bill was designed to work in harmony with provincial privacy laws such as Quebec's bill 68 and to respect provincial jurisdictions as outlined in the Constitution. At the same time, it sends a tough message to companies around the country that the misuse of personal information is a concern and that the privacy of people has to be respected.

Bill C–315 would require all companies covered by the Canada Labour Code to abide by some very strict privacy protection guidelines.

• (1745)

Before selling any list containing an individual's personal information, the person shall be sent a notice stating, first, that personal information about the individual as listed in the notice is held by the company; second, that permission is needed to keep the person's name on the list; and, third, that the person shall be told his or her name can be removed at any time at no cost to the individual.

At the same time any corporation using purchased lists shall send each individual on the list a notice containing, first, the source of this information; second, a description of the information held; and, third, a statement outlining how the individual can have that personal information removed from the list at any time and at no cost to themselves.

Companies receiving a removal request must comply within 10 days and confirm with the individual that his or her request has been acted on. Breaking this law would be classified as a summary conviction. For a first offence a company or individual breaking this law would face a fine of up to $5,000. A repeat offence could double the maximum to $10,000. Charges would have to be laid within one year of the offence.

I will be the first to admit that these are tough measures. In my view they only reflect the importance people place on their own privacy. Polls have shown time and time again that Canadians feel their privacy is at risk and action must be taken to reverse this trend.

Interesting enough, the criticism I have received concerning the fine limits is that the proposed fines are not high enough, that for large institutions affected by the bill the suggested fines would merely be a nuisance or a slap on the wrist.

The Canadian public wants to have more control over personal information. A national privacy survey published in 1993 discovered that 71 per cent totally agreed that privacy rules should apply to both government and business. Sixty–six per cent believe that the government should be working with business to come up with some guidelines on privacy protection in the private sector.

The Privacy Commissioner of Canada estimates that the average Canadian has his or her name crunched through various computers across the continent perhaps five to ten times daily. He further estimates that in the private sector alone $300 million a year annually changes hands in the buying and selling of client lists.

This industry is growing at an incredible rate as technological information becomes more widespread. The privacy commissioner thinks that now is the time to take action in the protection of personal information and I agree with him wholeheartedly. The rights to anonymity and privacy are constantly being threatened in the pursuit of information. It is time to restore a balance and return to Canadians their right to have some control over their personal information, privacy and anonymity.

Let us respect this right by supporting Bill C–315 when it is brought to a vote.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate having the opportunity to speak on Bill C–315, a private member's bill put forward by the member for Cariboo—Chilcotin.

I came into the House not as supporter of the bill initially when I read it. However after listening to the member's speech I became more and more convinced that he had the basis of a solid piece of legislation.

I cannot stand here today and make a final decision on what the government will decide in terms of voting on the legislation, but as a government we will have to look at the bill to see if there is some way to get it into committee.

Basically I support the aim of the bill. I want to make it perfectly clear that the way to achieving that aim should be modified. Some views have been put forward indicating that the bill is unduly burdensome on the industry and that it has a narrow focus when broad based measures are needed to ensure a level playing field for industry while protecting the privacy of Canadians.

• (1750)

Let us deal with the issue of it being unduly burdensome. The bill, and I am not saying it cannot be amended, would require that each time a mailing list is sold would necessitate notification and individual consent. More flexible approaches have been suggested such as the one using a combination of general principles and legislation coupled with industry self–regulation.

Another concern that has been put forward is about the focus of the bill being too narrow at this time. As the bill is written now it applies only to the sale of lists containing personal information when in reality the normal business practice is the rental of such lists. The bill focuses narrowly on lists when a vast amount of personal data can be blended and put together from the consumer transactional data currently exchanged between firms or within a large organization. The definition of personal information provided in the bill is unduly narrow. It is more restrictive than the definition of personal information found in the federal Privacy Act.

Also the bill only applies to corporations when mailing list information is often transferred between individual proprietorships and partnerships that are not organized into corporate forms. That can be fixed also.

Bill C–315 applies to the narrow range of corporations engaging in a federally regulated activity. As used in the bill, federally regulated corporations would include, most notably, those firms operating in the interprovincial and international transportation sectors: broadcasting, telecommunications and the banking industry. Needless to say, many corporations and sectors are exchanging personal data that fall outside these delineated categories.

The effect of the bill is to protect consumers in a narrow range of circumstances from a narrow range of commercial actors in a burdensome fashion without any co–ordination or harmonization with other current or proposed privacy initiatives. If passed in its current form, the result would not be a level playing field of the clear and consistent privacy rules applying to all sectors but a patchwork quilt of uneven privacy obligations from sector to sector, firm to firm, and jurisdiction to jurisdiction.

Other initiatives currently under way might provide a better approach. At least we can listen to some other initiatives. We are currently studying the options, as the hon. member knows. Most notable is the Canadian Standards Association model privacy code ratified in September by a committee consisting of a broad cross section of consumer, private sector and government representatives including Industry Canada's office of consumer affairs, Spectrum Information Technologies and telecommunications units.

Three years in the making the model code sets out 10 principles governing how personal information should be collected, retained, kept up to date, used and disclosed by the private sector. Adoption of the code by firms using mailing lists would tend to ensure that consumers are informed of the existence of such lists and are given the opportunity to consent to their use and to verify their accuracy.

• (1755)

The code is voluntary in nature but a number of different parties have suggested that it could become the basis for flexible framework legislation, leaving it to industry sectors to determine how they would meet the CSA, the Canadian standards.

The CSA code provides a clear example of the commitment and ability of consumer groups, the private sector and governments to work together to develop privacy protection solutions. As the member mentioned in his speech, the Information Highway Advisory Council recommended a broad based, flexible privacy framework legislation drawing on the CSA model code as a basis. We have also received a recommendation from the Canadian Direct Marketing Association urging the creation

of a flexible national privacy framework legislation using the CSA model privacy code as a basis.

The essence of both recommendations is the recognition of the need for coherent national privacy standards, protecting the consumer while providing the private sector with a flexible and level playing field.

The member has done a lot of terrific work on the legislation. We have heard him put forward many good ideas in his speech. Over the next while we will have to review the bill to see if there is some way to make some of the necessary amendments.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I rise to speak on Bill C–315, entitled the protection of personal information obtained by certain corporations act, sponsored by my colleague from Cariboo—Chilcotin. The bill seeks to enhance the protection of every citizen's right to privacy. Each and every citizen has a right to privacy that protects any confidential information.

Personal information is much more than data, much more than a simple product. It is the essence of who we are and defines our uniqueness. It not only describes the facts but the nuances of our life patterns and our choices. The importance of the right to protect that individuality is a measure of the importance of the individual in society.

The right to privacy is well established in our constitutional and legal history. It is recognized in our common law and has been recognized to be included in the charter of rights and freedoms. In Canada we value privacy to such an extent that we established a Privacy Commissioner of Canada in 1983. There are also provincial and territorial privacy commissioners including in my home province of British Columbia.

The importance of privacy for individuals and Canadian families is shown in that through 1994 and 1995 the federal office of the privacy commissioner processed over 1,300 investigations and dealt with over 10,000 inquiries from the public.

I should like to focus on the relationship between privacy, family and our current laws. Family is the fundamental building block in our society. It is the family that provides the social cohesion necessary for stability and prosperity in society. Many things are needed to promote and provide stability for families. Privacy is one of the essential elements needed to ensure inviolability of the home.

Increasingly, though, the family home is being subjected to intrusion from a number of sources. The age of contemporary information technology has meant that personal and confidential information has entered into the public realm with little or no safeguards established to protect the use and distribution of the information. With technology, data collection and assimilation become easier and less subject to scrutiny. Information from a multitude of sources can be accumulated, cross–referenced, and misrepresented with increasing facility and speed. While the public becomes increasingly conscious of uncontrolled information flow, they worry that the knowledge may lead to manipulation and intervention into their lives.

• (1800)

There is increasing public unease over the issues surrounding privacy. Almost 90 per cent of Canadians recently replied that they are concerned about their privacy. There is a mounting public pressure to initiate greater control to prevent abuse.

Of course the single largest collector of information on people is the government itself. We have legislation in place to attempt to control that information through the Privacy Act. A quick look at the statistics from the privacy commissioner is meaningful. According to the 1994–95 privacy commissioner's annual report, the number of complaints increased over 38 per cent from the previous year. The number of inquiries has risen from just over 1,000 in 1985 to nearly 10,000 in 1995.

The use of the multiple information database can construct a complete information profile on an individual or that individual's family. It can contain everything from their name to their age to their political affiliation, military service, and even information about related family members. As my colleague mentioned, it can contain the stores you shop at, the kinds of food you eat, and perhaps even your medical history.

The privacy commissioner has estimated that the average Canadian's name is processed through a computer five to ten times on a daily basis. I believe it is crucial for us to take the measures that are necessary to safeguard the privacy of individuals and their families. I believe Bill C–315 will do much to assist that.

Under the federal Privacy Act only government departments, ministries of state, and certain federal institutions are covered. This bill would expand those privacy laws by increasing protection to include federally regulated institutions. This bill would require that those companies that fall under the jurisdiction of the federal Canada Labour Code notify an individual whose personal information will be sold as part of a list to another corporation or client. It would also require that the individual concerned give their permission if they want their name on the list. This notice would outline the source of the personal information, a description of the information held, and a statement that the individual can have their name removed from the list at no cost to them. If an individual requests that his or her name be removed from the list, then the company concerned will be required to comply with that request within ten days and send a confirmation of that removal to the individual concerned.

This bill expands protection by amending section 2 of the Canada Labour Code to include banks, radio broadcasting companies, air transportation companies, any shipping lines that operate between provinces or between Canada and another country, any company involved in the railway, canal, telegraph, or other industries linking provinces, and any work identified under the Canada Labour Code or deemed for the general advantage of Canada. All these fall under federal jurisdiction and are federally regulated.

The dilemma of privacy issues has been all too common in our news lately. The news stories illustrate the tension that exists between cost efficiencies and the protection of the integrity of information for the protection of the individual.

For example, in my province of B.C. the provincial jurisdiction of privacy limits was recently tested with the introduction of a database on prescription drug usage. This program was introduced in the name of cost efficiency in the ever–diminishing health care system funding and for the health benefit of preventing incompatible or dangerous prescription overlap. However, there was a huge public outcry that the privacy of citizens would be threatened by the potential misuse of this database. The government did set about to dispel those fears and in fact has come up with some instructive examples of safeguards for a shared database.

I want to draw to the attention of the House a statement by the B.C. privacy commissioner, Dave Flaherty, who said that too many people have too much access to too much information on the computer system. That pretty well sums up much of the problem of all the world as we proceed with this privacy debate.

The banks are probably one of the largest non–governmental processors of private information and are also one of the strongest resisters to privacy legislation. They maintain that their voluntary code should be sufficient. There have been noteworthy attempts in all sectors to voluntarily protect the privacy of information. In addition to initiatives by the banks, in 1993 the Canadian Direct Mail Association adopted a compulsory code of conduct for its members.

• (1805)

I commend those in the private sector for voluntary measures they have taken. However, it is interesting to note that one of the largest public outcries to the privacy commission was as a result of a recent Visa gold card application of the Royal Bank. Typically, banks require a social insurance number specifically and solely for the issuance of interest statements under the Income Tax Act. Unfortunately, the Royal Bank's recent request for consent was far broader. It reads: "If I have ever given you my social insurance number you may treat it as information and use it as an aid to identify me with credit bureaus and other parties. Even if I am no longer your client or this agreement terminates, you may keep information in your records and use it for the purposes noted above."

It is such liberties that make the unbiased and arm's length controls of information necessary. With banking institutions offering services in diverse fields of deposit taking, trust processing, securities and insurance subsidiaries, it is necessary that the interests of the consumers and the marketplace be protected by comprehensive guidelines.

Potential for abuses must be recognized both in what services are allowed and in the regulation of the privacy of the information that is collected. With legislative rules and penalties there will come a predictable and enforceable protection for citizens.

Like all government initiatives, privacy regulation involves cost. Quebec introduced privacy legislation in the private sector two years ago. The Quebec experience would seem to indicate that their new private sector privacy commissioner has generated minimal resistance, very mild activity, with only 300 complaints, and minimal cost. This would seem to indicate that there can be an ongoing affordable privacy control within the private sector.

Ideally, the federal system should be designed to be self–funding if possible. The one question I would have of my colleague's proposal is the possibility of cost recovery for the program. The penalties imposed on large institutions seem small and may not serve either as a deterrent or be cost effective.

The challenge of protection of the right to privacy is great. The growth of that challenge will be exponential as new technologies and falling international, provincial, and private borders become more and more a reality, not only in the marketplace but in our homes. Government and voluntary attention must be given to this crucial concern.

Today I urge my colleagues from all parties to support my colleague on Bill C–315.

The Acting Speaker (Mr. Kilger): Before I resume debate, there has been an oversight by the Chair. In the normal practice of private members' hour on the first round I would see if a member from each of the official parties was seeking the floor and then revert to the normal procedure of government, opposition, and so on. An oversight caused me to fail to recognize a member from the Bloc Quebecois on the first round. I will now go to the hon. member for Drummond and then I will look to the government side, if in fact one should choose to speak. That will bring us approximately to the conclusion of the first hour of debate.

If there should be any questions, feel free to approach me at the chair and I will explain it further with the appropriate time allocations that have been distributed evenly this evening.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I rise in the House today to speak to Bill C–315 standing in the name of the hon. member for Cariboo—Chilcotin.

The purpose of this bill is to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations. It is part of a debate that has been going on for several years about the best way to protect personal information obtained or held by federally regulated private corporations.

In the public sector, the federal Privacy Act already protects employees and the public against abuse of this information. However, this legislation does not in any way affect the activities of private companies that are subject to the Canada Labour Code. The latter are therefore free to act as they see fit.

• (1810)

Although it is certainly not my purpose to point an accusing finger, we must admit that in some cases, this could lead to abuse both unpleasant and unfortunate.

In Quebec, as the hon. member pointed out on first reading of this bill, a number of unique legislative measures were introduced to improve the protection of personal information. In fact, Quebec's Civil Code deals with the issue of protecting individual privacy, which provisions came into force by a decision of the National Assembly in 1993.

The Commission d'accès à l'information, chaired by the former director of *Le Devoir*, is responsible for implementation of the various provisions included in the Act respecting access to documents held by public bodies and the protection of personal information. Finally, since 1994 the same commission has been responsible for implementing legislation on the protection of information in the private sector.

This goes to show that the protection of personal information, both in the private and public sectors, requires considerable co–ordination between the various acts and regulations and the activities of those responsible for compliance and enforcement. Although I did not say so explicitly, it is of course not easy to protect privacy fully and effectively. In this respect, Bill C–315 may seem to be somewhat lacking.

First, in its present form Bill C–315 regulates only the sale of lists. These lists of names containing personal and confidential information could therefore be lent or given away without breaking the law. Since these are still the same lists with the same information, it seems to me that the mere fact of passing them on to various organizations, for purposes for which they were not intended initially, should be prohibited and punished in the same way, whether or not any money changed hands.

Another aspect I think is unsatisfactory is the description or enumeration of what constitutes personal information. As we read the bill, we see that information as important as mother tongue, place of birth, sexual orientation and political affiliation is not included. Does this mean that this kind of information is not important enough to warrant protection? It would be important, in my opinion, for all information liable to trafficking, or rather to commerce, to be protected.

Another point: Bill C–315 deals with the transmission of lists containing personal information. This implies that any entrepreneur so desiring may, in total legality, sell information concerning one individual without risking any sanction. This point, in my opinion, constitutes a significant glitch in the very principle the bill is defending.

Before I conclude, looking at the sanctions set out in the bill, it will be seen that fines for noncompliance range from $5,000 to $10,000. To large companies, which generally have fairly sizeable lists, these fines do not mean much, particularly when we know the price a list containing confidential personal information can command.

There is no point here in continuing to examine Bill C–315 line by line. Merely reading its contents, plus a proper knowledge of the situation it is trying to control, is enough to understand that this bill, although well intentioned, is far from being equal to the objective it has set itself. There are many shortcomings in this bill. A number of amendments could be made to it. It seems to us that the best way of ensuring a complement to the present laws of Canada that protect the privacy of Canadians might have been to follow the same path as the new Quebec Civil Code. However, since the bill represents at least a small step forward, the Bloc will support it.

• (1815)

[*English*]

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I applaud the efforts of the hon. member to address a practice that is of concern to many consumers. He and I are two of them.

It is certainly true that when we speak about the problems of protecting personal information, probably at the top of the list are complaints and calls by telemarketing firms that usually call at the dinner hour and follow those calls up with unwanted flyers and advertisements.

While I agree with the spirit of the bill, I have discovered that it has its gaps. It is also cumbersome and overly restrictive, particularly in light of the more broadly based and flexible options that are currently on the table. I will get back to that in just a moment.

As part of a global economy, we can expect that cross–border consumer transactions will of course only increase, and with them a related growth in direct to home sales of the type that make regular use of mail lists in order to gain access into Canadian homes.

Mailing lists, when combined with other transaction related databases such as credit ratings and financial accounts, can be assembled into profiles of individuals. These records can cross national borders, be exchanged, resold, reused, or integrated with other databases often without consent or remuneration for purposes unrelated to those for which the data was originally collected.

In some ways this type of information sharing can be beneficial to Canadians in the sense of targeting marketing of services and products to consumers with particular interests in particular items. However, consumers are frustrated and angry when subjected to perceived intrusions by commercial interests into their personal domain.

Personal information privacy is an issue of considerable importance to Canadians. I have a copy of a survey released earlier this month, October 5 to be exact, conducted on behalf of two Canadian consumer groups, indicating that 90 per cent of consumers are concerned about personal information being shared between private firms. However, that same survey also suggests that consumers do not want any additional burdens imposed on them in order to protect their privacy.

While I think my friend across the way has presented some good ideas, and my colleague for Broadview—Greenwood has suggested that a bit of tweaking in the bill might find some favourable response, the approach adopted in this particular bill is truly highly restrictive and even burdensome.

The bill would require that an organization notify each individual on a mailing list each time the list is sold to another organization and then ensure that an individual's consent has been received. In addition, it requires that the organization buying the list also notify the same individual that their name has been obtained. Organizations would have up to 10 days to comply with the requests from individuals to have their names or certain elements of information removed from the lists. Fines for repeat offenders, if I heard it correctly, can reach $10,000 or more.

Not only is this burdensome for the consumers, preventing them from consenting to occasional mailing list exchanges between firms in prearranged circumstances, it is also burdensome to individual firms. More often than not, increased burden to firms translates of course into increased costs for products and services ultimately paid for by, guess who, the consumer.

Bill C–315 also has a number of gaps in the following areas. First, it applies only to the sale of lists containing personal information, when in reality the normal business practice is the rental of such lists.

Second, the bill focuses narrowly on the lists, when in fact a vast amount of personal data can be blended and put together from the type of consumer transactional data currently exchanged between firms or within a large organization.

Third, the definition of personal information provided in this bill is narrow and more restricted than the definition of personal information found in the federal Privacy Act.

Fourth, the bill applies only to corporations when in fact mailing list information is often transferred between individual proprietorships and partnerships that are not organized into corporate forms.

• (1820)

Fifth, Bill C–315 applies only to that narrow range of corporations engaging in a federally regulated activity. As used in the bill, federally regulated corporations would include those firms operating in the interprovincial and international transportation sectors, broadcasting, telecommunications, and banking. Needless to say, there are many corporations and sectors exchanging personal data that fall outside of those categories.

The effect of the bill then is to protect consumers in a narrow range of circumstances from a narrow range of commercial entities in a restrictive and even burdensome fashion without any co–ordination or harmonization with other current or proposed privacy initiatives. If passed the result would be a patchwork quilt of uneven privacy obligations.

The hon. member might not be aware of other positive initiatives that are currently under way. I think some of them have already been referred to by my colleague, the member for Broadview—Greenwood. I do not know if the hon. member is familiar with the Canadian Standards Association model privacy code. It was ratified last month by a committee consisting of a broad cross–section of consumer, private sector, and government representatives, including Industry Canada's office of consumer affairs and spectrum information technologies and telecommunications units.

Three years in the making, the model code sets out 10 principles governing how personal information should be collected, retained, kept up to date, used, disclosed by the private sector. Adoption of the code by firms using mailing lists would tend to ensure that consumers are informed of the existence of such lists and given the opportunity to consent to their use and verify their accuracy.

The CSA code provides a clear example of the commitment and ability of consumer groups, the private sector, and governments to work together to develop privacy protection solutions. The Minister of Industry is currently considering the recommendations of the Information Highway Advisory Council, which reported to him September 27. Among other issues, the Information Highway Advisory Council addressed the privacy

implications of interactive converging telecommunications and information technologies.

The Information Highway Advisory Council stated: "In order for consumers and users to benefit from electronic information networks, there is a need for a coherent national standard as to what constitutes effective privacy protection in an electronic environment among business, consumer organizations, and governments. The council believes that such a standard can be best achieved through legislation".

As well, the council stated that the federal government must take leadership through the creation of a level playing field for the protection of personal information on the information highway by developing and implementing a flexible legislative framework for both the public and private sectors. The legislation would require sectors or organizations to meet the standards of the CSA model code while allowing the flexibility to determine how they will refine their own codes.

The minister has also received a recommendation from the Canadian Direct Marketing Association urging the creation of flexible national privacy framework legislation using the CSA model privacy code as a basis. I am reiterating the CSA's model privacy code as the basis for these different approaches, but that seems to be the foundation for those approaches. The essence of both these recommendations is recognition of the need for coherent national privacy standards, protecting the consumer while providing the private sector with flexibility and that level playing field we have been speaking of. The CSA model privacy code represents a potential basis for development of flexible national standards.

I am in agreement with the spirit of Bill C–315 as put forward by our colleague opposite and I can applaud the efforts of the hon. member in this regard. However, because of the gaps and some inconsistency for the national perspective and some of the burdensome regulations that are addressed in the bill, I cannot support its contents.

• (1825)

All of us have characteristics and facts about us which are of interest to many people. I cannot begin talking about all the information private firms would like to have about us without also thinking of that vast array of information the government has about us. We know of some of the abuses of that information, its lack of accuracy and its inaccessibility to the individual in order to check its accuracy.

There was a very interesting case about which I will not divulge all the details. As a member of Parliament, I was approached by an individual who was caught in a cross web of government databases. Before he knew what was going on, he was having some very serious problems with the government. The government thought there was money owing on a student loan account but there was not. It took a lot of work to get that straightened out. The information was wrong. He had a lot of trouble finding out what information the government had on him. Information was missing. The government said that because it did not have that information, what he was alleging was not true. It went on and on.

The same thing is true with data which is gathered by private firms in order to know more about us. To a degree, I agree with this. There is a value for organizations like financial institutions to maintain databases. It protects us. That is if the databases are properly managed and there is accountability built into the system.

For example, I do not think credit ratings are all wrong. I like the ability of applying for a loan and receiving speedy service. That is only possible because businesses can very quickly check whether I paid my last loan. If they could not do that quickly and reliably then of course it would take them longer to check it out.

Also, as a consumer I could end up paying for more people who take loans and then disappear without paying for them. With the modern database systems it is possible to find out a person's history and consequently deny that person a loan because of his unreliability in repaying. As a person who pays interest to financial institutions I could then be spared the cost of picking up the tab for both the principal and the interest which was lost.

There is some merit to this but certainly as in many other areas, whether it is government or corporations, there needs to be accountability. We ought to look very seriously at the proposed bill in terms of the accountability and accessibility it would provide to a person who wants to find out what is known about him.

The government likes to have all kinds of data on us, income tax information, where we earned our money, how much, how much we gave to charity and all the details of our personal financial lives. These data need to be accurate. Like government, organizations like to keep census. They like to know everything about us, our religion, how many children we have. They want to know whether we own or rent our residence. They want to know whether other people live with us. On and on it goes. There definitely needs to be a limitation on business and government on how much data can be gathered.

• (1830)

In order to make this efficient there should be a procedure where individuals give consent at the time of giving the information or where they may refuse it. Although the private member's bill says the firm which proposes to sell a list needs to check with the individual on the list to gain permission, it would be much better if each database were flagged. If I indicate at the time I give information that my name is not to be passed on to another buyer of the list, it could simply be another field in the database. Then that information would not be given and it would not incur the cost the hon. member opposite was complaining about.

Certainly to mail consent forms to thousands of people on a list would be very costly. This could be done in advance and would protect individuals from having their data circulated all over.

I was able to find a few examples of people who use databases incorrectly. Many of us are now involved with the Internet. I remember when I first signed on with the firm I am using, at the top I was asked: "Do you give permission for your name and your Internet address to be in the database that is searched by other members?" I gave permission because I want people to be able to find me. If they look for my name in the city where I live, my name and my Internet address will come up.

There have been some serious examples of breaches of this principle. An example to which I take great offence is from New Zealand. A chocolate factory there obtained a client's list from a weight reduction clinic and used that client list to produce some personalized advertising for their chocolates. That is an unfair intrusion into a part of the population that might have a weakness in that regard. That type of thing also needs to be prohibited. Of course there have been many cases of people who have used databases for illegal purposes.

It is most important that consent be given either in advance or at some future time before the data are passed on to another firm or another business.

I had a very interesting example of my name coming up. I received a brochure that was mailed to me. It had my name and my correct address. When I opened it I was amazed to find out it was totally in French. Unfortunately I do not speak French, I wish I did. I could not understand it but I could figure out that it had to do with a contest. There was a picture of a new car. I thought: "This has to be my lucky day. They have written me a personal letter to tell me that I have won this car".

I wrote a letter back and apologized for not knowing the language. I also told them that clearly from what information I could gather I had won this new vehicle and I would be very willing at their convenience to show up at the specified place to collect it. I thanked them greatly for that.

That is a very dramatic way to emphasize it but I knew that I had to do something that was really spectacular in order to get their attention because of other situations where I have received information and could not get off the mailing list. I tried and I could not. I wrote a letter and the mail kept coming. It seems these data lists go from one owner to another and even though the last purchaser may purge the list of my name, the next week the parent corporation sends an update of the list and my name appears again. It is virtually impossible to find out from where the name originates because these lists are passed from one firm to another to another.

I commend my colleague for this bill. It certainly points out a need. I am not sure that in all details it totally answers the question.

I would like to see that little amendment to give a disclaimer or a refusal to pass on the information at the time of giving information. In general the principle of the bill is sound and I am glad to support it.

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.

It being 6.35 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.35 p.m.)

HOUSE OF COMMONS

Friday, October 27, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESS LOANS ACT

The House resumed from October 26, consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, it is an honour and a privilege for me, as the member for London—Middlesex, to address the House of Commons this morning on a very important subject, Bill C–99.

[*English*]

I am very pleased to speak on Bill C–99 this morning as the member for London—Middlesex. We like to think that London is the unofficial capital of southwestern Ontario. Our business community is quite diverse, with small business being an important part of it.

With Your Honour's indulgence, I must confess that as you called for a moment of silence this morning my thoughts then and even now are with people from all across Canada and many people from the London area. I know my staff worked very hard to organize 11 buses from London and area. They are on their way to la belle province of Quebec to tell the people there how much we understand that they face a very crucial decision and that our prayers and our hopes are that they will remain a part of Canada.

It is with some mixed thoughts that I stand this morning to speak on the subject of Bill C–99 when frankly I would like to be with friends and fellow Canadians from all parts of Canada who are on their way to Quebec to make it clear to our fellow Canadians in Quebec that we sincerely hope they will continue the partnership in the great country we have built together. I did not feel that I could launch into debate on Bill C–99 without sharing a few personal thoughts.

Bill C–99 is very important. It continues the process of modernization and improvement that has moved the Small Business Loans Act program to a full cost recovery. We could ask ourselves what is so important about the bill since we deal with so much legislation in the House and most of it, if not all of it, is important and significant. I believe it is particularly important given that we are discussing it at the end of 1995 and as parliamentarians we face the enormous challenge of trying to help the country prepare for the 21st century. As I have already said, we certainly hope it will be a united country that heads into the 21st century with all members of the family intact.

We obviously need an economic recovery. We have made some steps in the right direction toward it over the past couple of years. Quite candidly, we have had some backward steps in that regard. It has not been a steady progression forward as we would all like. It has been a two steps forward one step back process. However we must continue and we must persist in an economic recovery as we prepare the nation for the 21st century.

There is no area of greater importance in my mind as a Canadian and as a member of Parliament than the area of small business. In times past we would lure a large employer to a community who would create 1,000 jobs. It seems appropriate to use a baseball analogy with the World Series going on. We used to look for the grand slam home run in economic terms in wanting a major employer. I have several in my riding such as General Motors Diesel and 3M, to name two.

The days are gone of attracting major employers to our cities, except for rare circumstances. We will not see situations in which we instantly gain 500, 1,000 or more jobs. It seems evident that our number one crisis is the job crisis. The debt and deficit are very crucial. My colleagues opposite certainly know that, as they speak to it all of the time. While we may differ on the pace of the deficit reduction as part of economic recovery, I do not think we differ on the goal.

In spite of the importance of the debt and deficit, the number one crisis in the country we all love is the inadequate number of jobs. The best way to solve that crisis is through encouraging small business. It will be through new small businesses starting up and employing three, five, ten or twenty Canadians that we will create new employment. We would love to see the large corporations coming in and suddenly creating 1,000 jobs, but I do not think we will see that happen too often.

The evidence is clear that Canadians can succeed in small businesses but they need help. That is what the act is specifically designed to do. In my riding many women, for example, have shown great entrepreneurial spirit, have launched small businesses, have been successful in that regard and have employed three to five people who before were unemployed.

There is a fairly significant immigrant population in my riding. There are many Arab Canadians and a large Polish Canadian community, people from all parts of the world. I see evidence time and again of how immigrant Canadians come to Canada and successfully launch new businesses, despite the xenophobia Canadians are from time to time perhaps prone to engage in. I can give many examples where new Canadians have come to Canada, started businesses and employed three to five Canadians who were born here in their quite successful businesses. The evidence is there that small business will really be key to economic recovery and to solving the jobs crisis in Canada. That is not totally new but it is much more obvious to us now that it will be the case.

• (1010)

Since 1961 more than 400,000 SBLA loans totalling close to $16 billion have been made by financial institutions to small businesses. The SBLA helps entrepreneurs whose firms have less than $5 million in annual sales.

I should like to speak about that number for a moment. Within my party there has been considerable discussion about this subject. None of the businesses that I referred to earlier do $5 million in annual sales. Some small businesses of three, four, five or ten employees do not do $5 million a year in business. We might have to look at that number as we fine tune. What is a small business? Does it need sales of up to $4.5 million to $5 million to be considered a small business? I think not. We should have a look at that definition.

The program success both as an economic development tool and as an example of public and private sector co–operation has inspired similar guaranteed programs at both the federal and provincial levels. The program will engender new approaches to encourage small business in Canada. That will be one of its most important purposes.

I will share with my colleagues in the House today—we are not as numerous as normal because many of our colleagues are on their way to or already in Montreal to make their feelings known about Canada—that the city of London has two important initiatives in the area of small business worth mentioning. The first is the advanced manufacturing technology centre that we hope will soon come to fruition. The groundwork has been laid. It is our government that announced it. It looks like we might have to scale it back somewhat because of the economic times we face.

However, at the research park at the University of Western Ontario in the city of London we are awaiting very anxiously, along with municipal and provincial government officials, the completion of the advance manufacturing technology centre. It will be located in an existing research park and will be a very important part of helping to encourage innovative technologies and business opportunities as it combines with research opportunities available at the university right now.

There has been quite a bit of time spent on the project. It will come to fruition soon and is anxiously awaited in London. I have been very pleased to spend quite a bit of time working on the project along with my colleagues in London. It will be a big benefit not only to London, Ontario, but to the whole region of southwestern Ontario.

In southwestern Ontario the agri–food industry is a major industry. We ought not to forget there are many opportunities in urban centres and in the agri–food industry for small business. The centre is awaited with anticipation.

The second successful venture that has been under way for several years in the riding of London—Middlesex is a small business centre just inside the eastern part of the city of London. It is a converted plant that closed some years ago. It was formerly called Prototool. I remember it well, being that it was my first summer job. I was there recently for a ribbon cutting ceremony because they had refurbished and expanded the centre. I made the point that every time I went there, as much as I enjoyed it, it seemed as if I was going back to work.

• (1015)

The small business centre is located in the George Stewart building which was named in honour of a well known Londoner who has put many, many years into the facility. It is a business incubation centre. The centre helps those people who are starting up a business with one or two employees. These people need mentors. They certainly need start–up capital. They need the help which is available to them largely through the voluntary efforts of London's successful business people who are now mostly retired and are willing to help younger people launch small businesses. The small business centre in my riding of London—Middlesex has been very successful. It is an example of the type of program the SBLA meshes with very nicely.

I look forward to the visit of the industry minister to this centre in November. He will see firsthand the success we can have with this kind of program. It is an excellent example of why our government must continue to consider small business as a key part in our attempt to get the economy moving again.

In recent years the SBLA program had been running at an annual government cost of some $20 million to $30 million. Significant changes were made in April 1993. There was a major increase in activity from some $500 million to over $4 billion in 1994–95. In historical loss rates, this increase in lending was projected to cost over $100 million which was obviously a threat to the program in these economic times.

It is a very correct change to the program and a wise for the government to move to full cost recovery on this program. We might say it is a bit of a user pay concept, which we are seeing more of at all government levels. My previous government experience was at the municipal level in London, Ontario for 13 years. There is certainly a call for more of a user pay concept at all government levels.

I would never subscribe to the user pay concept for things like health care. Certainly we on this side of the House would not subscribe to the user pay concept in health care and in certain other fundamental core services which as Liberals we believe must be available to all Canadians regardless of their ability to pay. There is however a place for the user pay concept in our society.

Moving the SBLA program to full cost recovery is employing that concept. I applaud the effort of the government in that move. To this end, the government initiated a review of the program which included extensive consultations with major stakeholders representing both borrowers and lenders. Likewise we heard from the Standing Committee on Industry and the small business working committee. All of these groups were unanimous in recommending to the government that we proceed on a full cost recovery basis which is exactly how the government has responded.

Two major changes have been made through regulatory amendments which came into effect on April 1. First, a new 1.25 per cent annual fee was levied on each lender's average outstanding balance of SBLA loans made after March 31, 1995. Second, the maximum rate a lender can charge under the SBLA has been increased by 1.25 per cent to the prime interest rate plus 3 per cent for floating rate loans and to the residential mortgage rate plus 3 per cent for fixed rate loans.

Bill C–99 will continue the process of renewal by putting in place additional changes to the Small Business Loans Act. As I said at the start of my remarks, if we are to make a serious attempt at solving the job crisis and getting the economy moving again on a steady basis, we will have to focus our efforts on small business.

• (1020)

I applaud the government for the changes in the bill. It clearly indicates the intention of our government. That is what I am hearing from Canadians. In all parts of Canada people are speaking out with that kind of message. Certainly in my riding of London—Middlesex new business opportunities and job creation are happening in the smaller micro–firms with one to four employees. The government is moving in the right direction.

We need to consider what is a small business; $5 million dollars strikes a lot of people in business as a pretty big number to achieve. They would be thrilled with that, but they do something like $750,000 or $1 million worth of business each year. We have to continue to look at that number to determine exactly what constitutes a small business.

I want to say very clearly that this bill is a major step in the right direction. I am pleased as a member of the government to be part of the team which recognizes that we have to make this a priority.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I want to start by thanking the hon. member for London—Middlesex for expressing these thoughts inspired by our prayers this morning. I share them. I think the people of Quebec are focused on this crucial moment in their lives and accept the mark of affection shown by anglophones today.

We are sure that this demonstration of affection, friendship and even love, as some were saying, will last more than one day. Indeed we are confident that this demonstration of love and friendship will last for more than one weekend and that the best way to ensure that it does is to accept and respect the decision of the people of Quebec and thus transform these marks of friendship into acceptance of a rewarding and effective partnership between our two nations.

As far as the bill is concerned, I must deplore one thing. It is true that the bill raised the maximum for small and medium size businesses. However, one of the main problems for job creation, especially in Quebec, is the fact that very small businesses do not have access to these loans because the criteria have become more restrictive.

We must not forget that nearly 90 per cent of all new jobs, according to the figures for Quebec, are created by very small and medium size businesses. They should be helped. These are not businesses that require start up capital in excess of $250,000, $500,000 or one million dollars.

Last month, I witnessed the birth of thirty or so very small businesses in my riding, started by people who were on unemployment insurance, people who had decided to take the initiative and create their own jobs, set up their own business. In the process, they created some forty new jobs, and they were able to get started thanks to loans which, in most cases, did not exceed $10,000.

In other words, what we need to help these small businesses is not a higher maximum. There was nothing wrong with the maximum. The problem is a lack of more flexible criteria that would give these very small businesses access to more readily available venture capital.

I do not think the bill makes any provision for this, although in some respects it is well intentioned. I think the bill will not do anything to promote very small businesses. I would appreciate the hon. member's comments.

• (1025)

[*English*]

Mr. O'Brien: Mr. Speaker, I thank my colleague for his comments.

He addressed the outpouring of affection—and concern of other Canadians that Quebec remain part of the Canadian family. He spoke about his wish that this would continue. I fully and completely support that as a francophone who for most of my life has understood and appreciated the importance of Quebec in this country.

Every chance I get I emphasize to people in my riding that we need to make clear that we understand and realize the importance of Quebec in this country. I can assure the hon. member that if the vote is a no vote, as I hope it will be, I will continue to say that after Monday. I applaud that sentiment.

I disagree with the hon. member about the need to forge a new partnership. I simply ask him and all Quebecers to reflect on the fact that we have had a successful partnership in Canada for a long time. Yes, we have had our problems. We have had our quarrels as families will, but we have been able to work through them. We have worked them out. It was not lightly or easily that Canada was recognized as the best country in the world in which to live.

I ask him and all Quebecers, as the Prime Minister has done much better than I can do, to reflect very carefully on the fact that together we have built the best country in the world. It would be a tremendous risk and gamble to vote to break up our family. I sincerely hope Quebecers will not do that when they vote on Monday.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I listened with interest to the member for London—Middlesex speaking on Bill C–99, an act to amend the Small Business Loans Act.

I conducted a survey of my constituents. In my householder I asked questions about increases in government spending. There were some increases in the area of regional development loans, particularly western diversification which affects my part of the country and also FORD–Q and ACOA.

People in my riding were very opposed to these loans being offered to regions outside of our area of the country. Even on loans granted through western diversification which affected them, there was about a 50–50 division on whether it was the right procedure.

I would like the member to comment on the problems loans based on regional development are causing in the country and perhaps some of the divisions we are dealing with in the referendum campaign which perhaps have been caused by the regional development approach. Maybe the better route would be to put more of our eggs into this type of basket, a national program. This would affect small business right across the country on the same basis with the same rules rather than dividing the dollars into regional development programs, often loans, particularly to Atlantic Canada through ACOA or to western Canada through WED.

Those programs are causing hard feelings. Western Canada has looked at ACOA and said it has not worked. We have been pumping regional development dollars either through grants or loans into Atlantic Canada and unemployment is rising in Atlantic Canada. We have been pumping dollars for regional development into Quebec and some Quebecers want to separate. We are hoping less than 50 per cent want to separate, but it is not creating national unity by putting dollars through grants or loans into regional development.

Would it not be better to put money into loan guarantees for small business or national programs? It might make us feel as if we are all playing on a level playing field rather than making people angry by dumping some money into western Canada, some into Atlantic Canada, some into Quebec and some into the north.

Mr. O'Brien: Mr. Speaker, I appreciate my colleague's questions and comments on this program. I do not think he used the phrase but I think he is questioning the efficacy of the whole concept of regional economic expansion.

I come from southwestern Ontario, which is a rather successful part of Canada when we look at the full nation, although we certainly have some problems to solve such as unemployment. We are doing our best in that regard.

• (1030)

My colleague opposite comes from the province of Saskatchewan and he understands that his part of Canada is quite successful. However there are some problems as well.

The question my colleague puts is an either/or. Should we put all of our attention on to the small business loans approach or should we continue with the concept of sharing economically through a regional economic sharing of resources? Frankly, as a Canadian I reject the choice. I do not think it is an either/or. The answer to my colleague is that we should do both. I believe there is a place for both.

The people I represent by and large understand and appreciate that they are economically in an advantaged part of Canada. They are quite prepared and magnanimous enough to share with other Canadians as part of the price to pay to have a nation from coast to coast.

I will be candid and say that we had a little dispute recently about the idea of some workers coming from Cape Breton. The question was never where the people came from. We have thousands of Atlantic Canadians and Canadians from all other provinces living and contributing to the community. The only question was to what degree the trip would be subsidized.

As far as the concept of sharing and being open to Canadians to come to our city or sharing our resources with people from coast to coast, the people I represent endorse that. They see it as an important part of being a Canadian. It is a small price to pay to be part of the great nation we all live in.

The Speaker: That concludes the portion of the debate of 20–minute speeches and 10 minutes of questions and answers. What we are going into now—

[*Translation*]

From now on, those wishing to speak will have ten minutes, but there will be no questions and comments.

[*English*]

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, it is a pleasure for me to rise today to support Bill C–99, an act to amend the Small Business Loans Act. This legislation is just part of the whole Liberal approach to government.

Members may recall the current Liberal government was elected on a jobs and growth agenda as promised in the red book. Two years ago the government was given a mandate to revitalize Canada's economy. All Canadians, including the people of Quebec, are benefiting from these promises.

Our economy is still recovering from one of the worst recessions in our history. The recession was not only just a slowdown of our economy but a massive reorganization of how our economy operates. It has been a painful journey.

The previous government led us down this debt ridden path but we are getting Canada turned around and moving back toward prosperity. The Liberal government through its jobs and growth agenda is creating an economic atmosphere conducive to job creation. Over the last two years we have created approximately half a million full time jobs.

The main pillar of our approach is to reduce the deficit. By reducing the deficit the government will break the crutches that are slowing down our economy. The federal government, as we all know, is under tremendous financial strain. Some people criticize our cuts, they are not enough or they are too much. But the government is committed to a balanced and a realistic approach. In contrast, the third party proposes devastation through its plan to eliminate the deficit in three years. I am no economist but I know that such a plan is much too severe and would do more harm than good.

• (1035)

Our deficit reduction plan is based on credible analysis of our situation. We have instituted short term goals that have been reached. We are on the track to achieving this year's target of $32.7 billion. In next year's budget we will reach our election promise of a budget deficit of only 3 per cent of GDP.

It will not stop there. We will continue to set short term goals and before the end of the century we will see the light at the end of the tunnel.

The proposed amendments to the Small Business Loans Act follow our plan. Some may ask how. We did not call our red book "Creating Opportunity" for nothing. These amendments will create more opportunities for small and medium size businesses to access the capital they need.

More entrepreneurs will obtain loans to make their business dreams become a reality. Through these new private sector initiatives, made possible by the Small Business Loans Act and the proposed amendments in Bill C–99, new jobs will continue to be created.

As some of my colleagues have already pointed out, the Small Business Loans Act is not new. However, earlier this year we made regulatory changes to the act in order to make it more effective and accountable. Only those who truly need our assistance will receive it.

The fee structure introduced in April of this year serves to encourage those applicants who are more financially secure to seek capital loans directly from financial institutions without the federal guarantee. It will also provide an incentive for borrowers to down the road seek normal commercial financing as soon as possible.

This is consistent with the many other policies we have introduced. Our government believes that it must carefully review all government activities, to recognize areas where we can achieve our objectives more effectively.

We conducted one of the most, if not the most, extensive program reviews by any federal government. This is one of those areas and we have made some necessary changes. Due to the competitive environment of the financial sector, we believe that the new fee structure, whereby the administration fee is incorporated in the interest rate, will improve the effectiveness of the program.

A further step has been taken by the amendments contained in Bill C–99. We have already made the program more effective and accountable on the user side of it, but now our side must be streamlined. Bill C–99 addresses that matter. With the implementation of this bill, the program will be a full cost recovery program. As I mentioned earlier, we are reducing our deficit. It is through changes like these that allow us to reach our deficit targets.

We will also be improving the loan guarantee coverage for low volume lenders. This is an important aspect that should not be overlooked. Better coverage for the smaller lenders will strengthen our financial sector. These financial institutions may be small, but collectively they count for a significant portion of the loans administered by this program.

Previously these lenders in relative terms were vulnerable to a greater proportion of losses. Due to the existing regulations, these institutions were limited in the amount of losses that could be claimed to the federal government. The new provisions create a more equitable arrangement for these small lenders.

On Tuesday I heard some members from across the floor state that this bill violates the democratic process. On the contrary, extensive consultations were held to get the views of all sides of the issues. We reviewed the report of the Standing Committee on Industry. What more do they want? We listened to the Canadian Federation of Independent Business. We listened to the Canadian Chamber of Commerce. We listened to the Canadian Bankers Association, to name a few. Through those consultations we obtained substantial support for proposed changes.

Furthermore, some of the provisions of this bill were a direct result of the report from the industry committee. Going back to the red book, we promised to regain the confidence of Canadians. We want Canadians to be able to believe in the political process.

Over the last two years we have been reintroducing integrity into the political process. Again, someone might ask how. It is by holding consultations with Canadians, by listening to Canadians, which is more than I can say for official opposition members. They are so busy listening to themselves that they cannot hear Canadians, including Quebecers, telling them they want Quebec to stay in Canada.

The Small Business Loans Act plays an important role in my province of Prince Edward Island. In the previous fiscal year loans under this program totalled $21.8 million. This is a substantial amount of money for a small province. Our economy is seasonal by nature. Any initiatives to create business operations that can counter the seasonal aspect of our economy are very welcome. Small firms wanting to expand can do so with financing under this program. Entrepreneurs with dreams of owning a successful business are given a chance under this program.

• (1040)

Our economy has an abundance of small and medium size firms. The Liberal government acknowledges this reality and knows how to address the concerns of Atlantic Canadians. When it comes to small business, a loans program is not the only solution. This is just part of a larger package. We have refocused our regional development programs on small businesses, in particular I am referring to the Atlantic Canada Opportunities Agency. ACOA has been instrumental in assisting small businesses in Atlantic Canada and it has done so through many varied ways.

I would like to point out a few recent activities of ACOA. Just last week ACOA hosted a delegation of trade representatives from the Russian federation. The delegates were here to pursue joint ventures between Russian and Atlantic Canadian firms. Among the topics discussed were geomatics, aquaculture, agriculture products and current trade activities in other sectors.

This is an important step for business in Atlantic Canada. We are becoming more aggressive in pursuing world markets and the Russian federation, although poor economically in many standards, is open for investment opportunities.

In September the Atlantic Canada Home Program was held in Halifax. The program was designed to take advantage of opportunities created by the deregulation of building standards in Japan which permits a wider range of home construction. Prince Edward Island was represented there by the provincial minister of economic development and tourism.

Canada is always searching for new markets to access throughout the world. Our economy is geared toward exports. Our relations within the global economy are helping to drive the Canadian economy.

The government is working with the private sector and the provincial governments to open up new markets abroad, to ensure that Canadian firms have access to markets they need to grow and create more jobs. We need to do all we can to assist in that aspect and Bill C–99 in part does just that. We are improving a federal program so that it can adjust to current demands and be more flexible to meet our future demands.

Last week, on the eve of small business week, the Association of Atlantic Women Business Owners hosted a conference, trade show and an Atlantic Hall of Fame for Women Entrepreneurs, a ceremony sponsored in part by ACOA. The theme of the conference was "New Markets and Opportunities for Growth".

To me that sounds a lot like our jobs and growth agenda. Is it not funny how our approach is similar to private enterprise? I believe that would suggest that we are going about our business in the correct fashion.

Earlier in the fall also in Halifax key stakeholders in the Atlantic Canada economy discussed the business support system for young entrepreneurs. This was hosted again by ACOA. It was designed to highlight the needs and challenges facing our young entrepreneurs and establish services to meet those needs as well as to encourage young people interested in starting their own businesses. These young people are the future of the country.

Mr. Speaker, I thank you for allowing me the time to speak in support of this bill because I believe it will give to the small business community the impetus it needs to get up and get going.

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, it is an honour for me to speak on Bill C–99, an act to amend the Small Business Loans Act.

Along with my colleague from London—Middlesex this morning, I extend my thoughts to those people who have travelled from our various communities today to the heartland of Quebec, to Montreal. Our thoughts are with these people. We all share the same common sentiment that we want Quebec to remain a part of us and share the business climate we have in this country come Monday of next week.

As the member of Parliament for Huron—Bruce, representing a small yet mostly rural riding, I do not have large municipalities. I do not have large urban centres. The largest community in my constituency is the town of Goderich which has 8,000 people. In Goderich there are two main plants, which employ 900 people: Champion Road Machinery, a manufacturer of road graders and other roadbuilding equipment, and Sifto Salt Mines, which produces the third largest quantity of salt in North America.

• (1045)

As a rural constituency, the businesses we have are largely small in nature. Many of the businesses are agri–related. When I was elected to be the member of Parliament for Huron—Bruce, I believed, as do all members of the House, that we were elected to create a climate of employment in Canada. We spoke about jobs and growth. This bill goes a long way in helping us to achieve those goals.

How do we create jobs? Government cannot by itself create jobs. Government jobs are largely jobs that do not contribute to the GDP of our country. While government cannot create jobs, government can certainly create an environment in which business can grow and prosper. The importance of Bill C–99 is that it becomes another avenue for small business to access capital and operating moneys.

As I said earlier, I represent a small rural constituency. We have many resources in our riding. Most of them are rural agricultural resources: wheat, hogs, beef and all the other commodities we grow so well in Huron—Bruce. The riding produces more dollar value in agricultural products than any riding east of Winnipeg. I therefore speak with a great deal of pride about my riding this morning.

The greatest resources in any riding are the youth of our communities. When we closely examine the resource of youth we find that many of these young people upon completion of their secondary education move on to other communities. For the most part they leave to further their education and then go on to careers often in large urban centres simply because job opportunities are not as plentiful today as perhaps they were a decade ago, certainly not in small communities.

Some of these youth are now returning to their communities of origin simply because jobs in the urban centres are not as plentiful as they once were. The young people are returning to their communities, in some cases to enter into a partnership with a family business or to enter into a partnership with an established business. In some cases they are coming home to seek the future they have dreamed of, a career of choice based on and related to the training and educational background they have achieved.

This is where the banks and the lending institutions become involved. Allow me to give a personal example. About eight years ago our two sons had a dream. Upon completing their secondary education they wanted to pursue a business career. One of the first things they had to do was find the capital required to begin a business. That was the first experience. Of course they had to visit the bankers. They found that the bankers were not all in agreement with their dream. In many cases they were turned away. However, there was one banker who, because of his appreciation for young people, sensed that there might be merit in the dream and that it might go somewhere. He invited them in. He asked their father to sign a few papers and these two young men began a business.

It has been eight years since they began the business. They have realized their dream. The dream will continue. It was only six months after they had begun the business that they asked the banker to remove their father's name from the papers. People are realizing their dreams in the country. This is an example of what can happen when we take those dreams to the ultimate end. Now that they have established their business it is the bankers who are knocking on their door to see if they can lend them a bit of money.

• (1050)

My point is that the risk in doing anything is always great but I believe we have to take some of these risks. When I chose this position in Parliament I accepted a risk. I was walking away from a business that had given me 21 years of fruitful employment. My background in small business and in the agricultural

sector gave me an appreciation for and insight into the borrowing needs of small business.

Early in my new career as a member of Parliament I quickly became aware of the inability of entrepreneurs to gain access to business capital. If there has been one area of frustration in my career as a politician it has been that of my being unable to resolve the matter of banks and small business.

A few months ago Bluewater Fibre Inc., with 150 employees in the northern part of my riding, found itself in the very untenable position of risking closure of its plant if a resolution of a border tax was not found. To the credit of the Minister of Finance's department, this issue was resolved and the jobs of 150 people were ensured.

Another situation concerns Tackle Windpower, a manufacturer of rotor blades for windpower electricity generation, which just recently began manufacturing in Huron Park in the southern part of my riding. Before this company turned one employee hour in its plant it had $9.5 million in guaranteed orders for a product it was about to build, but it had difficulty in obtaining a $500,000 operating loan. Through much difficulty and a great deal of effort on the company's part and a small effort on my part, financing was finally procured. This company started with two, three, four employees, and has now reached 28 employees and is quickly moving to full employment of 70.

Stories like this go on and on. How many members here would have believed that so much of our time would be spent on helping small business achieve funding and financing?

There are two million small businesses in Canada, and 82 per cent of new jobs are created by small businesses. When one puts these numbers in perspective it puts a new importance on entrepreneurialism. If every small business would employ just one more person we would eliminate unemployment.

This is an important bill for two reasons: the increase in the maximum size of the loan to more accurately reflect the realities of doing business, and the movement of the SBLA to full cost recovery, a measure in keeping with our promises as a government to maintain fiscal management policies.

Given the extensive consultations with the major stakeholders, it is imperative that we seek swift passage of this bill for the benefit of all small businesses in Canada. I look forward to supporting this bill at a future time in the House.

[*Translation*]

The Speaker: The hon. member for St. Boniface has the floor. As you know, dear colleague, you will start your address and will finish it after question period. Agreed?

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): So, Mr. Speaker, I shall have two speeches.

I am pleased to speak today on the Small Business Loans Act. I shall address the key principles rather than its details, which some of my colleagues with an in depth knowledge of this field have already done.

I wish to point out that this bill is part of a total strategy for supporting the growth of small businesses, particularly their access to capital. This must be clearly understood. We wish to provide more help to small businesses so that they may grow, have greater access to capital and thus create additional employment. We are very much aware that the bulk of jobs created over the past decade have been in small and medium size businesses. The figures indicate 85 to 90 per cent. This is very impressive.

• (1055)

This bill was proposed after much consultation with lenders and borrowers. It is not something that we just decided to impose. It is not something where we are just going ahead without consultation, without advice from all sides. We believe that the way to have an excellent bill, with a better chance of success, with a better chance of being accepted by those targeted by it, is to ensure that there have been consultations. This has been done country–wide with the groups I have referred to.

Another very important aspect of this bill is self–funding. Yes, costs will be higher, because we want it to be self–sustaining, but this is in keeping with two government policies. The first is to decrease grants and subsidies to business. We realize that, in today's reality, there is less financial flexibility and that we must reduce the costs of government. Reducing these financial supports to businesses is one way of being proactive and attaining that objective.

Another objective is reduction of the deficit and the debt. Since this program will be self–supporting, there will be less government money going to businesses. This will have a positive impact on the deficit and the debt. I must add that the new program will provide a better response to businesses needing funding. This is very important.

We are well aware that 30 or 40 per cent of businesses receiving assistance at this time can go to a bank or a caisse populaire and have their needs met by those institutions. So, if 30 or 40 per cent go elsewhere for solutions to their financial needs, more financial assistance will be getting to the businesses that need it.

I have spoken to a number of Manitoba businessmen and businesswomen in my riding and all have indicated to me that this was a step in the right direction. This is an example of a federal government initiative which is country–wide, an example of what we can do together. I will close on this and pick up where I left off later on.

The Speaker: It being 11 a.m. we will now proceed to Statements by Members.

[*English*]

I know this is a very special time for all of us but with all respect, should you be tempted to use what I call props, I would prefer that you did not.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN UNITY

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, through a project called "Cher ami", 5,000 children in my riding of Mississauga West have written in French to the children of the province of Quebec in a gesture of friendship. They want to show that French is spoken all over Canada and that there is no such thing as "English Canada".

I will read today a few excerpts from the children's letters. From six–year–old Diane:

[*Translation*]

"Hello, my name is Diane. I am six years old. I like speaking French. I love Canada and Quebec."

[*English*]

From a grade eight student at St. Rose de Lima School:

[*Translation*]

"Dear friend, I love Canada, because I love the winter and the summer. I love Canada, because it is a multicultural country. It is important to have friends in Quebec, because that gives us a chance to learn about another culture".

[*English*]

If children can understand that fundamentally we belong together, so should we. Several hundred thousand people demonstrating in Montreal today also agree.

Mr. Speaker, I will respect your wishes and not lift this box of a thousand letters on to my desk.

The Speaker: I do thank you for that.

S. O. 31

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, yesterday constitutional lawyer Peter Hogg and former deputy minister of justice Ian Binnie appeared before the Senate justice committee on the gun control bill. These two respected lawyers stated unequivocally that the government has not consulted with the aboriginal people, as required by section 35 of the Constitution. According to this testimony the constitutional rights of the aboriginal people have been abrogated by the government. Bill C–68 will directly affect aboriginal treaty rights and therefore they should have been consulted.

• (1100)

Mr. Binnie went on to say that Bill C–68 indicates that the government did not consider how the legislation would affect aboriginal people and called it an abdication of their responsibility.

The justice minister states that Bill C–68 is a done deal. I suggest nothing could be further from the truth.

* * *

QUEBEC REFERENDUM

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I speak on behalf of my colleague from Peterborough who lost his voice and on behalf of the people of St. Catharines.

Four buses, two from each city, two cities which normally compete with each other, today drive together to join people from all over Canada at the no rally in Montreal.

Today Canadians are voicing their opinion. They are in Montreal to say to Quebecers that they want to stay together, they want to stay united. They are also reminding Quebecers of the seriousness of the vote.

Canadians are asking Quebecers to say no to destroying our political union, to say no to destroying our economic union, to say no to destroying Canada as we know it and as it has existed for many years.

Keep the family together. On Monday vote no. As proud Canadians we say let us keep the country together. We join in spirit with our constituents in Montreal in saying our Canada includes Quebec.

* * *

JOHNNY MILES

Mr. Russell MacLellan (Cape Breton—The Sydneys, Lib.): Mr. Speaker, it is with pleasure that I rise today to offer birthday wishes to a great Canadian.

On October 30, Mr. Johnny Miles will be celebrating his 90th birthday. Mr. Miles is a two–time winner and the oldest surviving winner of the Boston Marathon.

As a native of Sydney Mines, Nova Scotia, and a current resident of Hamilton, Ontario, Mr. Miles has been a role model for generations of young athletes all across Canada.

He is a distinguished ambassador of Canadian amateur sport who has been honoured with the Order of Canada and inducted into the Nova Scotia and Canadian Sports Halls of Fame.

As a proud Canadian, Mr. Miles has said that nothing gives him greater pleasure than to do something for his country. We should all take pride in what this fine Canadian has achieved. I am sure my colleagues will want to join me in wishing him a very happy 90th birthday.

* * *

QUEBEC REFERENDUM

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I believe passionately in this country and its citizens. Whether we belong to one of the three founding realities in Canada, the aboriginal people, the French or the English, or whether we hail from a group that chose to come to Canada to find a nation that provided hope and opportunity, we love our country.

This summer I visited communities in the Gaspe region of Quebec. I did not meet wild eyed separatists with an animosity toward Canada. Instead I met people who deeply respected Canada but were also proud of their distinct culture and traditions.

I will not raise the letter I have on my desk, but I have a letter signed by 65 seniors in my riding asking me to tell Quebecers to stay in Canada so that we may continue to be together in the world's best country.

The only way to do this is to vote no on Monday.

* * *

[*Translation*]

QUEBEC REFERENDUM

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, Bob White, the most powerful union leader in Canada, warned Canadian political leaders against being vengeful following a victorious yes vote in the referendum on Monday. He called on them to act responsibly and to negotiate with Quebecers, saying that millions of Quebecers want a different relationship and different recognition by Canada, and so serious discussions will have to be undertaken.

Mr. White acknowledged that it was in Canadians' and Quebecers' interest to establish an economic and political partnership. Given the size of the stakes involved, it would probably not be hard to find support among business people to defend and promote a partnership with Quebec.

Quebecers will vote yes on Monday, confident in their ability to finally negotiate with their Canadian partners as one people with another.

* * *

• (1105)

REFERENDUM CAMPAIGN

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, today, we should express our true sentiments. People know where I stand, I support a no vote on Monday. I am for a French Quebec in a united Canada.

During this referendum campaign and since my election here, I have had the opportunity to improve my ability to speak the beautiful French language. I am very grateful indeed for the patience, tolerance and friendship of federalist and sovereignist Quebecers.

I think people are fortunate to be Quebecers. They are part of a large family. In my view, this family has long been divided by this national question. I hope that, whatever the outcome, the family will be reunited Monday evening after the vote.

* * *

REFERENDUM CAMPAIGN

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, the Parti Quebecois claims it will save $3 billion in an independent Quebec through the elimination of the overlap and duplication of the federal system.

How does Premier Parizeau expect to achieve this objective when he is promising to hire the thousands of federal public servants living in Quebec? Premier Parizeau said in August of this year that an independent Quebec could not hire all the federal public servants working for the departments of Agriculture and of the Environment, for example, because Quebec's departments in these areas are already fully staffed.

The so–called promise the Government of Quebec is making to hire federal public servants living in Quebec reminds me of the generous collective agreements the Parti Quebecois accorded Quebec public servants prior to the 1980 referendum. Following the rejection of the referendum question, the Parti Quebecois government then cut provincial public servants' salaries by some 20 per cent. Federal public servants have therefore every reason to mistrust the Parti Quebecois promises.

* * *

REFERENDUM CAMPAIGN

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, today, the federal government and the Canadian establishment are putting all their power at the service of the No cause: a paid holiday for employees who want to attend the rally in Montreal, transportation services subsidized by the major Canadian carriers, and I could go on. Even Ottawa high school teachers are using school buses to send their students to the rally in Montreal.

As the director general of elections in Quebec reminded us, all these referendum related expenses by the federal government and private enterprise violate Quebec's referendum act, since any service that promotes a referendum option constitutes a regulated expense. The Liberal Party of Canada and the federal government are supporting these illegal referendum expenses.

This rally in Montreal was meant as a demonstration of love. Is it becoming a giant intimidation manoeuvre paid for with taxpayers' money, in defiance of the referendum act and of all Quebecers' idea of democracy?

* * *

REFERENDUM CAMPAIGN

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, at this very moment, thousands upon thousands of Canadians from coast to coast are gathering at Place du Canada to join the most popular Prime Minister ever to lead the best country in the world.

In this great Canadian pilgrimage, hundreds of constituents from my riding of Mississauga East are opening their hearts to their friends and relatives in Quebec, going even further for a strong and united Canada.

Today's rally will show the rest of the world that the Canadian people are a great people whose warmth transcends any division in this united nation they love with all their heart.

Canadians are together and want to stay together because Quebec and Quebecers are at the heart of the Canadian dream.

* * *

[*English*]

NATIONAL UNITY

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I have listened to members across the way cry out with self–righteous and sanctimonious indignation about the need for a code to govern freedom of speech in the Chamber. Perhaps they should start with their own party.

Recent remarks made yesterday by the minister of fisheries and by the Deputy Prime Minister about members of the Reform Party have reached an all–time low. The Deputy Prime Minister stated publicly that the Reform Party wanted Quebec out of Confederation. This is not only totally untrue but it is so untrue that it is offensive. We are communicating in the newspapers with one million Quebecers this week on our proposals for decentralization which will contribute to national unity.

• (1110)

If the Deputy Prime Minister wishes to do something positive for national unity, she should stop misrepresenting the views of loyal Canadians.

* * *

[*Translation*]

QUEBEC REFERENDUM

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the members of the Bloc Quebecois keep focusing on the past, and only on the negative aspects of the past. They do not remember the positive aspects, like what we have built together, what we have become collectively and the efforts made by many Canadians to give Quebecers opportunities and rights that no other province has.

I would like to inform this House that the constituents of my riding of Vancouver East and of every riding in this country, from Tofino to Signal Hill, including a large number of Quebecers, are saddened by the actions of those whose goal is to destroy Canada. On the other hand, you have people like the Prime Minister, who have been fighting for many years to make sure that all Canadians have equal rights.

Today, Canada is doing as well as any country with a huge territory, a small population and diverse needs can expect.

Canadians are fond of their country. They do not say it too often, but they are proud of the maple leaf, their passport, the freedom they enjoy and the respect they are shown everywhere else in the world by people who cannot understand—

The Speaker: I am sorry for interrupting. The hon. member for Shefford.

* * *

QUEBEC REFERENDUM

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, just four days before the vote is held, the Prime Minister of Canada is still beating around the bush about recognizing the referendum results.

If 51 per cent of the population vote no, that is a good result, but if 51 per cent vote yes, that is a different story. The Prime Minister of Canada is out full time on the referendum campaign trail, and he will be voting on Monday. He is taking part in the referendum, yet he still refuses to commit to recognizing a yes victory.

There is nothing more democratic than a referendum in our society, and Quebecers will not tolerate having their choice put down.

On Monday, the majority of Quebecers will vote yes. This strong yes will show that they are united and stand as one. It will ensure that, as a sovereign people, their laws and values will be respected.

* * *

[*English*]

QUEBEC REFERENDUM

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, I stand today to add my voice to the chorus of voices ringing from coast to coast to coast calling for a united Canada.

Yesterday three 16–year old high school students from Russell, Manitoba landed in my office en route to Montreal for the no rally, hungry and tired. They had driven all night to get to Winnipeg to catch a plane to Montreal. They were spending their hard earned money to demonstrate how important their country is to them, how their country Canada includes Quebec.

The courage and commitment of these young people is a shining example of the belief western Canada has that a strong Canada is a united Canada. They represent the sentiments of thousands of Manitobans who could not make the journey but whose hearts are in Montreal today for their love of the greatest country in the world. Vive le Canada.

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[*Translation*]

QUEBEC REFERENDUM

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, separatists and traditional federalists say that it will be either black or white with the referendum, that is independence or status quo.

By contrast, the Reform Party pledged to renovate the Canadian home. You do not burn down a nice house just to get rid of a few cockroaches. You simply clean it.

Millions of Canadians, including many outside Quebec, have felt frustrated and threatened by the centralizing governments which have dominated our confederation by taking advantage of regional splits and claim that they were acting in the national interest.

• (1115)

A no vote in the referendum will open the door to a new decentralized Canada, patterned on the model proposed by the Reform Party, which is designed to give greater autonomy to the provinces.

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, at this important time in our history, we must remember that environmental issues know no political boundaries.

Federal initiatives such as the Fisheries Act and the Canadian Environmental Protection Act protect public health and all Canadians. For example, those who live close to the St. Lawrence River benefit a great deal from these laws. Indeed, since 1990, the federal government has spent millions of dollars to clean up the St. Lawrence River.

Moreover, the international agreements negotiated by Ottawa on acid rain have benefited all Quebecers. Consequently, those who take the environment seriously should reflect on the positive aspects of Canadian federalism, before casting their vote on October 30. Let us not forget these major federal initiatives.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the president of the Canadian Labour Congress, Mr. Bob White, said that Canadian workers should continue to maintain close ties with workers in Quebec the day after a yes vote and that negotiations with Quebec should start without delay.

Politicians in the rest of Canada should do likewise to ensure the stability of Canada and Quebec the day after a yes vote. Yesterday, the Prime Minister said that 50 per cent plus one was enough if it was a no but not if it was a yes.

My question is directed to the Minister of Intergovernmental Affairs. How can the Prime Minister of Canada question the validity and outcome of this democratic exercise and go so far as to say that 50 per cent plus one is all right for a no but not for a yes?

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 should recall that a few months ago, the Leader of the Opposition said clearly: "If it is yes, it is sovereignty; if it is no, we will do it again".

The Official Opposition should not be surprised if we say: "We expect it to be no". That would be the right answer, for Canadians who are now in Montreal to show their solidarity to Quebecers and for Quebecers who have gained so much from Confederation.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, on this last sitting day of the House of Commons before the referendum, I think it would be appropriate for the minister to be accurate and direct in his answers to my questions.

He knows perfectly well that the Leader of the Opposition and all the people on the yes side have always said, on every occasion, that they would respect the verdict of the people, the outcome of this democratic process.

My question, and I would appreciate a straight answer, is this: Why, when it is about their side, does the Prime Minister seem unwilling to commit himself to respecting the democratic process, going so far as to say: "If those are the results for the no side, we agree, but if the same figures turn up for the yes side, we do not"? Let him explain that instead of trying to skirt the issue.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the hon. member for Roberval implies he has the right to make preambles in which he says things that are inaccurate, makes statements that do not correspond with the facts and indulges in innuendo directed at those involved in the campaign, as he just did in my case.

He seems to think we will be less than democratic as we explain our position. He should know better, considering his experience in the House.

• (1120)

We made it quite clear that we believe the no side will win and that Monday Quebecers will realize that separation is not the way to go, and that is why we are clearly indicating that with a no, we will be able to continue to implement reforms in Canada.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am sorry but the minister will not get off that easily. I am entitled to three questions, and so for the third time I will ask him to make his position clear to Quebecers, to set aside his customary arrogance we have seen enough of and give a clear answer to Quebecers.

Can the Minister of Intergovernmental Affairs, who is speaking on behalf of the government today, explain clearly, honestly and frankly how the Prime Minister of Canada can say: "Fifty per cent plus one for the no is fine. I can go along with that. Fifty per cent plus one for the yes, I am not sure". What explanation does he have for an attitude that is so obviously unacceptable? I would like an answer.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, this day and the next few days are too important for us to waste our time responding to invective from the opposition. Their attitude is not very parliamentary.

On the fundamental issue, we have always said that we recognize the democratic right of Quebecers to vote in a referendum, but we have also clearly indicated our position and the fact that we believe the no side will win.

The Leader of the Opposition has indicated that if it is a no, he would not accept the outcome, so why does the hon. member for Roberval not talk to his own leader and tell him that his answer is not democratic because he does not accept the answer given by the people, while we believe our position is democratic, especially considering that 32 per cent of Quebecers have indicated that a yes vote means they very properly want the province of Quebec to remain a part of Canada.

The Speaker: Dear colleagues, I am sure that today, like all other days, we will always show respect in speaking to each other here in the House of Commons.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, let us make things perfectly clear. The Leader of the Opposition has said that he would respect the decision of the men and women of Quebec, which does not prevent our continuing to battle for our ideals as in 1980. René Lévesque kept his word, which the Prime Minister of Canada did not, and once again will not. If the minister cannot see the difference between continuing to fight for one's ideals and implementing a legal decision, he has a big problem, and it is not from the neck down.

The Prime Minister, who is seeing the choice of Quebecers being increasingly confirmed, has been quick to abandon the attitude of openmindedness and understanding adopted in his message to the nation, an attitude that is unusual for him, and has reverted to his true nature, menacing and vengeful toward Quebec.

My question is for the Minister of Intergovernmental Affairs. Does the Prime Minister's attitude augur well for the day after the referendum, when we already see him threatening not to respect the result, the referendum verdict, showing his true colours as a non-respecter of democracy, allowing the Quebec referendum act to be violated with impunity, non-respecter of democracy that he is?

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 believe that history speaks for itself and that our Prime Minster has shown over his thirty years in politics that he is a democrat. He has expressed his opinions clearly, expressed his options clearly, and has never backtracked; he has never changed political affiliations during his career; he continues to believe in the values in which he believed in the past; he has always defended both Quebec and Canada, and continues to do so.

The arguments of the Bloc and the PQ will not do anything to change reality. The reality is that our Prime Minister has defended both Quebec and Canada well, and will continue to do so. A no is a no, one which will again work in favour of Quebecers, and Quebecers will come to see that it is in their interests to continue to make the reforms and changes they want within the federation, as they did during the first quiet revolution.

• (1125)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister has said two things that are true. First, the Prime Minister has not changed his opinion; he continues to mock Quebecers and to do things behind their backs. He has not changed. Second, when the minister tells us there will be a second quiet revolution, he is right and that revolution will start with a yes on Monday.

I am asking the minister how Quebecers can trust the Prime Minister when he engages in doubts and threats to force them to choose Canada, rather than admitting that the days following the yes vote have already been anticipated by the government, which will have to adopt a responsible attitude toward the international financial market for once, as Quebec certainly will?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Once again, Mr. Speaker, I think that no one will accuse our Prime Minister of not having made his thoughts clear, and of not having changed his way of thinking as he went along.

But I have a quote to offer to you, Mr. Speaker, and it is as follows:

[*English*]

"I am a Canadian. Who will doubt that? I was born a Canadian and we have been Canadians since 1636 in Quebec. I am very proud to be a Canadian."

[*Translation*]

In English, the quote is: "I am a Canadian. Who will doubt that? I was born a Canadian and we have been Canadians since 1636 in Quebec. I am very proud to be a Canadian". Who said this? Lucien Bouchard.

[*English*]

The Speaker: Once again I ask you not to refer to hon. members by their names but by their titles in the House. I know you will respect that.

* * *

QUEBEC REFERENDUM

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, throughout the Quebec referendum campaign Reformers have made every effort to show Quebecers that Canada is open to real change, that is not founded in the exaggerated promises of the separatists and change that is not found in symbolic constitutional amendments.

We want a no vote on Monday to mean a mandate for a new Confederation, a decentralization of power and the reform of federal institutions. Reformers and provincial governments are going to work for those changes. The tens of thousands of Canadians who are going to Montreal will work for those changes.

On the eve of the Quebec vote, does the federal government have anything more substantive and constructive to say on its agenda for change, something that would persuade a soft sovereignist or a discontented federalist to vote no on October 30?

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 think the Prime Minister has indicated on a number of occasions this week that he is ready to continue to implement change and to consider further change.

• (1130)

What he has said about the distinct society and the right of veto are important announcements in terms of constitutional change. What is as important is that a number of provinces, including Newfoundland, have now passed resolutions on distinct society to indicate their respect for the province of Quebec and their desire that they continue to work in a strong and united Canada.

In terms of non-constitutional change, which is as important, we have indicated in the budget that we are ready to revise programs and jurisdictions in order to let the level of government which is most efficient do the work. We intend to continue in that direction.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I thought the minister might have said that one of the most important changes the government could initiate the morning after a no vote would be to start real reform of this institution, the House of Commons.

Canadians inside and outside Quebec want their priorities and their concerns to be better represented in the Chamber. That can be achieved through a simple government commitment to freer voting in the House and the exercise of less party discipline by the governing party. Are these the sort of practical and positive changes the government would be willing to vigorously pursue after a no vote on October 30?

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 agree with the leader of the third party that we have to increase the amount of change we are making in this country.

I remind him again that we did program review and the budget downsized the government by 20 per cent. We started to reform the various programs in order to make the federal government more efficient. We indicated very clearly that we want to change and we want to listen to what Canadians tell us.

In terms of the House, I only have to indicate the reforms which have taken place to reduce its costs and increase its efficiency. We hope to continue in that direction.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the most compelling reason for making changes in the Chamber have been provided by the Quebec referendum debate.

Here we have a debate on the future of federalism and the country itself, but where has it occurred? Not directly, not forcefully, not thoroughly on the floor of the Chamber, but everywhere else. While the number one priority of the agenda of the people has been the future of their country, formal debate in the Chamber has focused on manganese as an additive to gasoline and the national horse act. That is why the House must change if the federal government is ever to lead change in the country.

Is the government open to changes in this institution so that the agenda of the people and the country becomes the agenda of 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, the debate about the referendum has taken place mostly in Quebec because it is a Quebec referendum.

I certainly agree with the leader of the third party that all Canadians feel personally involved. I am especially happy to see that desire for involvement has finally been met by the huge rally which is presently taking place in Montreal. It shows that all Canadians from every part of the country consider that the choice being made in Quebec is the choice of their own country. That choice affects them personally and is one in which they want to have a voice.

I am proud so many people have found it possible to go to Montreal. They are expressing not only their love for Quebec and their desire to stay together but also their view that Quebecers and the rest of the Canadian population will be able to go through problems in the future much better if they stand together, which is what we hope will happen, than if they divide.

[*Translation*]

REFERENDUM CAMPAIGN

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs earlier quoted Lucien Bouchard as saying he was proud to be a Canadian. He neglected, however, to add that this statement was made before Meech Lake, that is, before the hon. Jean Chrétien's fancy tactics to sabotage the accord.

Some hon. members: Oh, oh.

Mr. Laurin: The hon. Prime Minister's, pardon me, Mr. Speaker.

• (1135)

The Speaker: Thank you, my dear colleague. You will address our colleagues by their proper and acceptable title here in the House.

Mr. Laurin: Mr. Speaker, I am sorry.

The director general of elections for Quebec, Pierre F. Côté, criticized those offering paid holidays or lower priced tickets for demonstrations in connection with the referendum debate. According to him, it is making a mockery of the Referendum Act, it is a real expression of contempt. He went on to say that this sort of behaviour encourages civil disobedience.

How could the federal government itself contravene the Quebec Referendum Act by allowing subtle arrangements to be made for its employees to be away from work in order to go to a demonstration in Montreal without loss of salary?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, first, I will deal with part of the hon. member's opening remarks, when he talked about the statement by the Leader of the Opposition, which was made in 1988, that is, well after the start of the Meech Lake accord debate.

Here is a quote that indicates the transparency of his statements now. When Mr. Bouchard, when the Leader of the Opposition, pardon me, spoke on Wednesday, he spoke in French and English. In French, he said: "Alliances—thanks but no thanks". A total refusal. In English, he said: "I am deeply committed to this partnership". So, once again, when opening remarks are used to deliver messages, they should not be based on the misleading appearances created.

As regards the rally currently going on in Montreal, we must remember that Canadians and Quebecers are equally proud of demonstrating their patriotism in Montreal and are doing so on their own initiative. The federal government did not organize

the gathering. It was born of a desire by Canadians, inside and outside Quebec, to express their pride in Canada, and the federal government is not paying their way. On the contrary, a Treasury Board directive provides that, if they go, they must take leave to do so.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the alliances the hon. Leader of the Opposition was talking about were the alliances René Lévesque had had with the other provincial ministers before the night of the long knives. This is the sort of alliance the Leader of the Opposition was alluding to.

How does the minister explain that federal government managers were informed by telephone that they should allow their employees to go to Montreal after they signed an insurance form. Even this leave is paid by the government.

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the federal government is operating today. Offices are open from coast to coast. In accordance with common practice which has existed for time and is in the collective agreements, if employees want a day off, they can ask for a day off.

Mr. Duceppe: All together, all at the same time?

Mr. Eggleton: Yes, they can take it as a vacation day. They can take a vacation day if they want. They can do it today, on Monday, or any other time of the year, providing they get the permission of their manager. In each case it is a personal choice. Nobody is being forced to do anything.

A lot of people who work in the public service feel strongly about the country and want to be part of today's rally in Montreal. They are doing it all in accordance with the rules, practices and collective agreements of the federal government.

* * *

HEALTH CARE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, my question is for the Minister of Health.

Improving our medicare system is on the agenda of all Canadians. Reformers have proposed a series of constructive alternatives to solve the problems with our health care system for all Canadians. What changes are the minister and the government considering in the field of health care to make Canadians, including Quebecers, feel more at home in this Confederation?

• (1140)

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, a lot of work is ongoing with the federal government in co–operation with the provincial ministers of health and their officials.

One which is ongoing is the work on the vision for the future of the health care system in Canada. Many actions are being contemplated. We are very optimistic that we can continue to deliver first class health care in Canada and that we can make that health care equally accessible to all residents.

Even people who live in Quebec appreciate our medicare system. They too are concerned that rapid changes would decrease their ability to access equitably a health care system when they need it. The government is committed to ensuring equitable access for everyone.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, like Reformers, Canadians affirm the value of medicare. We desire medicare to be a core set of national standards. We desire a system that is publicly funded and universally accessible, regardless of one's ability to pay, but that system must make room for choice to be sustainable. Is the minister open to this kind of change?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we are open to any kind of change that will make our health care system better.

We are committed to equitable access, access based on the need of the individual person and not on his or her ability to pay. That is one of the essential cornerstones of medicare in Canada. We believe it is that particular form of medicare which makes Canada the very best country in which to live.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The Minister of Fisheries and Oceans has launched an operation to bring thousands of federalists from across Canada to Montreal. The government is even urging its employees to go there to put pressure on Quebecers under the pretence that they suddenly love them.

Does the minister not feel that the best way to show Quebecers they are loved would be above all to respect their laws, starting with the referendum act?

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, we did not organize the rally being held in Montreal. This spontaneous rally shows that Canadians from every region in the country are concerned about what is happening in Quebec and want to show their solidarity.

I am proud to belong to a country where all parties are so concerned by the situation in Quebec that they are willing to make an effort to travel to Montreal and to clearly express their feelings toward Canada and Quebecers. Quebecers who, like us, are federalists and want to remain part of this country feel that other Canadians are expressing clearly the feelings we have

always believed in, that is to say, they are supportive of Quebec, they are with us, and they want the No side to win on Monday so that our nation can continue to help and support its citizens.

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, what better way is there for the federal government and the rest of Canada to show their commitment to Quebecers than to respect the democratic process, thus allowing Quebecers to make a decision on their future without any interference?

• (1145)

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, since the only people the official opposition believes are those who share their views, I will point out that, in an interview he gave at Magnan tavern this week, the Leader of the Official Opposition stated very clearly that he agreed that people from the rest of Canada could come to Montreal because, as he said, they will be affected by the referendum result.

For once, the leader of the Bloc Quebecois is right, and he expressed this pride in being Canadian he had asserted so clearly in 1988. We are proud to belong to a country, a nation that is willing to give its more vulnerable parts a helping hand as a sign of friendship and solidarity.

* * *

[*English*]

THE ENVIRONMENT

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of the Environment.

On Monday and Tuesday the minister met with provincial counterparts in Whitehorse. The Canadian Council of Ministers of Environment has created a framework agreement to harmonize the provinces' respective roles. Canadians have a deep desire to see real co–operation.

Following the Whitehorse discussions, can the government tell the House what we can expect to see in respect of the environmental harmonization process being put into place with the provinces?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I am pleased to report that my colleague, the Minister of the Environment, together with provincial and territorial environmental ministers, agreed to release a draft environmental framework. This framework has been released for public discussion.

Hearing the views of Canadians on whether this draft accomplishes our shared objective is very important in terms of a consistent high level of environmental protection.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, clearly there is a need for a new confederation, a balanced federation of provinces in Canada that the Minister of Environment should no longer resist.

The process of environmental harmonization has been going on for two years. Can the minister tell the House what the spectrum of changes the government is prepared to make to produce a genuine harmonious front to protect the environment?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, while there are often points of discussion, the environment ministers, for example, agreed unanimously to look at automobile emissions and regulations for cleaner gasoline. The federal government is committed to acting on these initiatives.

Meanwhile, the provincial ministers of the environment are also free to look at taking the actions necessary to protect the air that the people in their provinces breathe.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Yesterday, the CNTU revealed that the HRD minister's bill on UI reform does exist. And its provisions are identical to what has been leaked from various sources since June. The draft bill is dated October 10, 1995.

Will the minister admit that the bill on UI cuts is indeed ready, as evidenced by the existence of this document, and that its tabling is being delayed by the government to hide these cuts from Quebecers until after the referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, we have been working on reforming the UI program, and in fact the social security system as a whole, for the past two years. We never hid the fact that we were putting our fiscal house in order and reviewing various social policies.

Regarding unemployment insurance, we announced in the last budget exactly what our plans were, and the Prime Minister stated in this House that a bill would be produced by the end of the year. Cabinet has not approved, passed or even seen the bill, and the document referred to may well be one of the many versions of the bill that could eventually be submitted to cabinet. This is a normal process, one that does not involve cabinet for the time being and that must follow its course.

• (1150)

Mr. André Caron (Jonquière, BQ): Mr. Speaker, we are pleased to hear the minister admit that the bill does exist.

Will the minister try to deny the obvious or will he admit that his bill will reduce UI benefits, exclude thousands of young people and women from the system, and put in place a two tiered system for seasonal workers? What is keeping the minister from admitting the truth? The imminence of the Quebec referendum?

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, the opposition is twisting my words. I said "may well be" because I do not know if the bill the hon. member is referring to even exists. However, I do know that it is only natural for us, after promising to overhaul social programs, including unemployment insurance, to be working on it.

No decision has been made so far. There is therefore nothing to say on this issue. It is clear that, as announced in the budget, a reform will take place to make the system more efficient and reduce the burden of government on Canadian taxpayers, including Quebec taxpayers. We urge the Parti Quebecois to put its fiscal house in order as we did with ours in the budget we tabled in February.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On Wednesday President Bill Clinton stated that a strong and a united Canada has been a powerful and loyal ally to the United States and a model for the world on how people from different cultures can live in peace and harmony.

Would the Minister of Foreign Affairs elaborate on the president's statement? Also, would he address the comment made in the *Wall Street Journal* regarding the negative effect that a possible yes vote in Monday's Quebec referendum might have on NAFTA and our bilateral relationship with the U.S.?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I welcome the question.

[*Translation*]

President Clinton clearly said that Monday's vote is a domestic issue. It is for Canadians to decide. However, the president also said that his country hopes to maintain relations with a strong and united Canada. I have no doubt that, after Monday's vote, Canada will remain united and strong.

As for the other part of the question, I fully agree with the opinion expressed by the hon. member.

[*English*]

The question of trading arrangements in the context of sovereignty will be the one described by the hon. member.

* * *

SOMALIA INQUIRY

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, earlier this week government lawyers were chastened by Justice Létourneau of the Somalia inquiry. He was concerned that a letter from crown counsel would put a chill over the inquiry.

The government has tried to gag members of the forces before. Now it is trying to filter both the information and the sources of information.

Why are both the justice department and the Department of National Defence working to intimidate soldiers and keep them from testifying before this important commission? Why?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member knows full well there is no truth to that assertion.

The government has nothing to hide with respect to the engagement of Canadian forces personnel to Somalia. It was this government in opposition that had asked the former government to set up a board of inquiry. That was long before the election. We did that once the court martials were dealt with.

However, what happened this week is rather unfortunate since the tone of a letter sent by a Department of Justice official has given the wrong impression to the various counsel. The chairman of the commission has called for the various counsel to discuss this matter and to make sure the impression the hon. member has reached that somehow we want people not to come forward is dispelled.

The lawyers for the respective individuals before the commission and the commission lawyers themselves are working this matter out.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, indeed I would really love to see that impression dispelled. In a hierarchical society such as the military, even

subtle signals from the top permeate down and can cause an undesired effect below. In this case it is telling the troops to keep quiet. The commissioners are doing their best to send the soldiers the signal that the inquiry is open, but the assurances must come from the very top. The very top in this case is the Minister of National Defence.

• (1155)

Will the minister put himself in the position of our uniformed troops and recognize that he has a responsibility to reassure the military personally that all is fine, they can speak as they will.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, no one has ever accused me of being unduly subtle. Every member of the Canadian Armed Forces has an obligation to come forward to that commission. The government will not tolerate any intimidation toward any of those people.

I hope the hon. member understands the message. Certainly the members of the armed forces understand it.

* * *

[*Translation*]

OLD AGE SECURITY

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday, the minister refused to admit that a document from his department entitled "Serving Canada's Seniors" does indeed show the direction his government intends to follow in restructuring old age security programs.

The government has been saying since its budget of February 1994 that it would table a document unveiling its new approach.

How can the government justify that, after reviewing Canada's old age security program for over 18 months, the human resources minister still claims that he has not yet made a decision on the new direction to be taken? Mr. Speaker, it has been 18 months.

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 believe the answer sought by the hon. member is included in a statement made last night by the Prime Minister to Mr. Mongrain, regarding the issue of pensions. The Prime Minister said: "What I do know is that, if people vote no on Monday, all those who receive pension cheques will still get the same cheque. Some tried to make me say that I was going to cut pension cheques. I clearly said in the House of Commons that there will be no statement in November to the effect that the government is cutting pensions, and that the February budget will include no changes to old age pensions. I cannot not be any clearer than that".

This quote shows that we looked at the issue of old age pensions and that we arrived—as the Prime Minister clearly said—at a conclusion which is valid now and for next February.

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SOCIAL PROGRAMS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, as both Reform members and Canadians, we sincerely believe in a strong and united country now and in the future. I am confident that the Liberal government shares our vision of decentralized powers.

My question is for the Minister of Human Resources Development. What changes in the powers and responsibilities attached to social programs will he offer the provinces to show them that a no vote is not a vote for the status quo?

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 think that, in the past two years, our government has indicated very clearly that it is upholding the Liberal tradition of supporting the most vulnerable members of our society. We are forced to do so in a context of financial and economic constraint. I feel that we have assumed our responsibilities within a responsible fiscal framework by stating in the February 1995 budget that we would continue to help the neediest in our society.

There is no question that, in order to help the most vulnerable in our society, we must overhaul our social programs to make them more effective, efficient and productive, and that is what we are doing. The changes under way to improve government will also help us convince Canadians, including Quebecers, that the Government of Canada looks after the interests of all its citizens, including Quebecers, and that it is in their interest to vote No on Monday.

* * *

• (1200)

TOURISM INDUSTRY

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, could the Minister of Industry briefly mention the main initiatives he has undertaken, since the announcement, last February, of the establishment of the Canadian tourism commission, and could he also give us some details on the impact that these initiatives have, and will have, on the tourism industry and on the Canadian economy?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, the Canadian tourism commission has already spent $50 million, while its partners have invested $35 million.

This year, revenues related to tourism increased by 18 per cent in our country. Clearly, a united Canada, in which the provinces and the federal government co–operate, is the best thing for Canadian tourism. It is definitely an argument in favour of a no vote on Monday, so that we can indeed have a united country and the best possible environment for tourism.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to six petitions.

* * *

INTERPARLIAMENTARY DELEGATION

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I have the honour to present the report of the Canadian delegation to the Committee on economic affairs and development of the Council of Europe, regarding the activities of the Organization for Economic Co–operation and Development, and of the European Bank for Reconstruction and Development, which held meetings in Paris and in Strasbourg, in June 1995.

I also have a report of the Canadian delegation to the Parliamentary assembly of the Council of Europe, regarding the expanded debate on the activities of the Organization for Economic Co–operation and Development, held in Strasbourg, on September 27 and 28, 1995.

[*English*]

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House the ninth report of the Canadian delegation of the Canadian NATO Parliamentary Association from the seminar of the working group on northern security issues of the North Atlantic Assembly held in Copenhagen, Denmark, on September 25, 26 and 27, 1995.

COMMITTEES OF THE HOUSE

FINANCE

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 21st report of the Standing Committee on Finance on Bill C–102, an act to amend the Customs Act and the customs tariff and to make related and constitutional amendments to other acts.

* * *

[*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.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESS LOANS ACT

The House resumed consideration of the motion that Bill C–99, an Act to amend the Small Business Loans Act, be read the second time and referred to a committee.

The Deputy Speaker: The Parliamentary Secretary to the President of the Treasury Board has the floor. He has six minutes remaining.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I will repeat the key points I made earlier and continue my speech. I said that the Small Business Loans Act was part of a global strategy by the government to boost the growth of such business, and more particularly its access to financing and capital. I also said we did a lot of consulting, before we went ahead. I said, as well, that this project would be self–supporting, and that the government's action was in keeping with two of its policies: to reduce subsidies to business and to reduce the deficit and the debt.

• (1205)

I also indicated that the new program would better suit businesses with a greater need for access to capital, because, according to our research, 30 per cent to 40 per cent of businesses are getting from the existing program capital which could be used elsewhere. I added that I had talked to many business men and women in my riding of St. Boniface, who told me this was a step forward.

I concluded the first part of my speech by saying that this was the sort of government initiative that reached across the entire country—an example of what we can accomplish together.

Now for the second part. Speaking of what we can accomplish together, let us have a look at what we have already done in Canada. We all know that Canadians are respected around the world, for a number of reasons. We all know that we are the best country on the whole planet, and we are not the ones to say so. Organizations are saying so. We all know that people in many countries, in the vast majority of countries, would like to join us.

We are a pretty formidable economic power, since we rank seventh based on our gross domestic product. We know that the government is evolving, and even when people do not have the same philosophy of government, I think they should realize that governments and government institutions evolve and change. And that is exactly what this government has done for the past two years. To put it another way, it has embarked on a review of the federal government's mandate and that of other levels of government in order to eliminate duplication and overlap.

It has done so while respecting the authority of other levels of government and at the same time reducing government expenditures. it has taken steps to ensure that this initiative will be able to continue, because we still have some way to go.

Consider what we have done together so far. If we look at the past two years, we see that more than 600,000 jobs have been created. That is a lot, but it is not enough. We must create more jobs. We need a climate that is conducive to job creation. Our objective with respect to the debt and the deficit is a case in point. We wanted to ensure that the deficit would not be in excess of 3 per cent of the gross domestic product. We think we can achieve that.

Interest rates are among the lowest we have seen for a long time. The inflation rate is much lower than it was. Consider our growth figures. Economic growth has increased by 33 per cent. Exports have gone up by 5.2 per cent; investment in materiel and equipment, for instance, has increased 11.6 per cent; deliveries in the manufacturing sector have gone up 10.9 per cent.

Quite frankly, we have done remarkably well in a pretty difficult situation. Our concern, and this includes both government members and the members of the opposition, should be the results of the vote on October 30. Because we must continue to do well.

• (1210)

These successes improve Canadians' quality of life. These successes can assure us of growth, of keeping our number one status, if you will, as the best country in the world. I have a few quotations here I wanted to share with you on the successes we have enjoyed, the successes others have applauded us for.

[*English*]

For example, Sherry Cooper, chief economist at Nesbitt Burns, responded to the drop in September's unemployment rate to 9.2 per cent by saying:

> Today's buoyant job report is yet another arrow in the quiver of economic recovery.

That was on the CP wire on October 6.

Andrew Pyle, Path International senior economist, responding to the drop in September's unemployment rate to 9.2 per cent said:

> One would expect in October barring any surprises we should see even better job growth.

Robert Fairholm, chief economist with DRI/McGraw–Hill, in reacting to the Statistics Canada report showing that the country's GDP increased by 0.1 per cent in July, said:

> Pull out a microscope and you'll see growth in July. But it's an improvement and that's encouraging for the markets.

Gordon Thiessen, Governor of the Bank of Canada, said:

> I know the economy is not booming along, but it is performing in such a sound way, such a basically sturdy way.

I could go on. I have another dozen quotes from influential, knowledgeable, insightful people that show the country is working. As has been said by the Prime Minister on many occasions and by many colleagues, it is not perfect but it is the best country in the world. The commitment of all of us, whatever our political preferences, political values or political ideologies, ought to be to make this country, which is the best, better still.

[*Translation*]

For this reason I hope from the bottom of my heart that Quebecers who see all of those Canadians rallied together in Montreal will listen to their heartbeats, listen to what they have to say. Some would like to have us believe this is not real, not spontaneous. It is real, it is spontaneous.

There is a deep affection for Quebec, for Quebec men, and for Quebec women, and that affection is being manifested today in Montreal. If on October 30 we can have a no vote to separation, to the breakup of this country, we are going to continue to improve the quality of life of all Canadians, whether they live in Quebec or in other parts of the country. This is why I want a no vote, and I hope from the bottom of my heart that is exactly what the answer will be. No to separation, no to breakup, so that we can continue to progress.

[*English*]

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I am very pleased to speak to Bill C–99.

Since taking office two years ago the government has created an economy of employment that has grown. Good fiscal management is the foundation of the government's jobs in a growth agenda. The 1995 budget marks a decisive turning point, making $7 in cuts to government spending for every new $1 of tax revenue raised. The deficit is being reduced, as planned, and the red book target of 3 per cent of GDP by 1996–97 will be met.

Small business has been the engine of job creation in Canada in the last decade. To fulfil its promise to help them compete, the government has cut red tape and has increased access to government services, financing new technologies and export markets.

Our trade missions to China and Latin American led by the Prime Minister brought home $10 billion in trade deals for Canadian businesses and positive jobs for Canadians. Barriers to trade within Canada are dropping, thanks to the agreement on interprovincial trade. These efforts help Canadian businesses find markets for their products and services at home and abroad.

Changes to the Small Business Loans Act is one of the most significant efforts of the government toward a strong economy and creating opportunity for growth. The changes made by Bill C–99 will enable the completion of the process of modernization and improvement that has brought the SBLA program to full cost recovery. This renewal will relieve the financial burden of the program on Canadian taxpayers while enabling the SBLA to continue to provide its benefits to small business.

• (1215)

Over the years the program carried out under the Small Business Loans Act has been very successful. The SBLA was passed in 1961, and since then more than 420,000 SBLA loans, totalling over $15.5 billion, have been made to small business.

The benefits of SBLA are widely recognized. It provides needed help to small businesses, which are so important to the Canadian economy. The program is open and simple to administer. It is delivered by private sector lenders who have great expertise in the granting of credit and the monitoring of loans.

The program's success both as an economic development tool and as an example of public sector and private sector co–operation has inspired similar guarantee programs at both the federal and provincial levels in Canada.

In recent years the SBLA program has been running on an annual government cost of $20 million to $30 million. However, following a significant program change effective April 1, 1993 the annual activity increased from $500 million to $2.5 billion in 1993–94 and to over $4 billion in 1994–95. Assuming a continuation of the historical loss rate, this meant that the annual program costs would increase by over $100 million. Clearly this was a threat to the sustainability of the program.

Both the potential costs of the program and the government's overall need for deficit control required that the program be brought to full cost recovery. Consequently the government initiated a review of the program. Extensive consultations with major stakeholders representing both borrowers and lenders were held in October and November 1994. Recommendations were also provided by the industry committee and the small business working committee of the House of Commons. The views of the federal Liberal caucus task force on small business were taken into account as well.

The major recommendation of all those consulted was unanimous: the government should act quickly to put the SBLA program on a full cost recovery basis. We have responded.

Two major changes were made through regulatory amendments which came into effect on April 1, 1995. First, a new 1.25 per cent annual fee was levied on each lender's average outstanding balance of SBLA loans made after March 31, 1995. Second, the maximum rate a lender can charge under the SBLA was increased by 1.25 per cent to the prime interest rate plus 3 per cent for floating rate loans and to the residential mortgage rate plus 3 per cent for fixed rate loans.

These changes have put the SBLA program on a sustainable cost recovery basis for all loans made after March 31, 1995. Now Bill C–99 will continue the process of renewal by putting in place additional changes to the SBLA. It will grant an authority respecting the release of security, including personal guarantees taken by lenders for the repayment of SBLA loans. It will grant an authority to make regulations for the establishment of a claims processing fee.

Bill C–99 will improve government guaranteed coverage for low volume lenders. It will enable the SBLA program to respond more quickly in future to changing economic and program circumstances by allowing the guaranteed percentage to be adjusted by regulation, and it will potentially accelerate an already legislated decrease in the percentage of an SBLA loan that is guaranteed by the government from 90 per cent to 85 per cent.

The changes that will be brought about by Bill C–99 will complete the transformation process that has made the SBLA program sustainable. Putting the program on a full cost recovery basis has caused the cost of loans made under the SBLA to increase slightly. However, the federal government's consultations with all parties recognize the need for the program to be self–sustaining.

The changes we are making are entirely in keeping with the need to reduce subsidies to business and the overall need to get the deficit under control. These changes actually mean the SBLA will be better positioned to target its loans toward those small businesses that really need its help.

• (1220)

At present, an estimated 30 per cent to 40 per cent of SBLA loans go to enterprises that are able to take advantage of normal business financing. Without the subsidy implicit in the present interest rate, the higher cost of SBLA loans will mean that these financially strong businesses will probably now switch to lower cost commercial financing.

Even the most successful programs must be kept relevant and responsive and must be run in an effective manner, especially in these days of deficit fighting and limited government resources. The increase in government costs resulting from the surge increase in SBLA activity was a challenge that had to be met if the SBLA was to continue to serve the needs of small business. That challenge was met, and now the changes we are proposing will further enhance the administration of the SBLA program.

I bring to the attention of the businesses and people in Quebec who have been part of this program and who have participated in it in an effort to better not only the economy of Quebec but also the economy of Canada that this is very beneficial to the province of Quebec. Obviously we hope that all those businesses, when it comes to voting on Monday in the referendum, will recognize the importance of staying within Canada and vote with the rest of Canadians with a resounding no.

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, it is appropriate that we discuss Bill C–99, an act to amend the Small Business Loans Act, at this time because this week is small business week.

We know that small business is the lifeblood of our economy. Statistics tell us that 99 per cent of businesses in Canada have fewer than 100 employees. Because of their numbers in small businesses they tend to drive the economy. Growth in small business means economic growth, but the bottom line is that the government does not create jobs, businesses create jobs. Small businesses create almost 80 per cent of new jobs in Canada.

Government plays a very key role. It creates the climate and builds the framework for economic growth. The Liberal government has taken important steps to create the right climate.

We have reduced regulation. We have eliminated 250 regulations already and amended another 300–plus. The process continues to eliminate paperwork and regulations and streamline the cost of doing business.

We have improved the access for small businesses to technology through programs like the technology partnership program.

We have reduced the paper burden and red tape that small businesses struggle with. Ten business service centres have been opened up across Canada from coast to coast, which provide 24–hour a day services.

We have just announced the business networks initiative, which brings businesses together. Networks and working together with people makes things happen and makes business grow. We have introduced a single window business number at Revenue Canada so businesses can make one call instead of four.

We have introduced new legislation like Bill C–102, which creates the equivalent of free trade zones in Canada and allows Canadian businesses like those close to the U.S. border in my riding to compete against the U.S. companies head on. This bill will also assist businesses throughout Canada, wherever they may be.

We have the team Canada trade strategy aimed at helping businesses export. SMEs produce only 10 per cent of our exports, and only about 4 per cent of the small business sector exports. We need to improve this record. We need to make continuous improvements to assist small and medium size entrepreneurs to export. This is where government can play a key role.

As a member of Parliament I have been able to work with a committee in the St. Catharines–Niagara area to help small business understand what it takes to export and how really easy it is if we know the system. By teaching this system the committee is trying to assist some 350 small exporting companies in my area.

• (1225)

This leads us to a problem, because we know it takes money for small business to expand. Business needs access to capital. One of the largest problems facing small business people and entrepreneurs is financing. Here too government has played a major role. The industry committee of the House has studied this issue extensively. It was very interesting to see the participation of all parties, the Bloc, Reform and the government members, working together on improving the system within the industry committee, such that we could make more improvements for all businesses no matter where they are located in Canada.

Banks have responded to introduce codes of conduct and an alternate dispute resolution system and some have ombudsmen. Maybe there has been some picking on the banks and maybe it was required, but they are also working with many of the small businesses and many community committees to really get things happening.

Government also plays a direct role in lending to small businesses. We do this through the Business Development Bank and the Business Development Corporation. We lend through the Small Business Loans Act.

The Small Business Loans Act creates an economic development tool for the government. The act was first passed in 1961. Since that time more than 420,000 loans have been made, totalling over $15.5 billion.

Recently the SBLA has been running at a cost of $20 million to $30 million per year. This is a cost the government incurs; in other words, it is a cost to taxpayers. As lending has increased over the last couple of years, we are now looking at a loss of over $100 million annually. Over five years the program will be tripled, from $4 billion to $12 billion, and then we are looking at a potential liability of $12 billion plus. That represents a problem for the government and for the taxpayer. That is why the government initiated a review last year and consulted with borrowers and lenders from across the country and the various agencies and institutions involved.

For a government that is tackling the deficit and the debt, we know that we cannot sustain this SBLA program on taxpayers' backs forever. The government has had to reduce its spending. We have cut overall expenditures by 19 per cent, the public service by 14 per cent, transportation subsidies across this land by some 97 per cent, business subsidies by 60 per cent. This is only a small sample of our cuts to reduce the deficit.

The important item I would like to bring forward to the House is that while we have been doing this cutting, we have done it in a progressive manner. We have done it by getting input from all the people involved and understanding the facts that are required as we go through these cuts.

Yes, we are making changes, and for the last number of weeks changes seem to have really hit the House. We have been making those changes a little at a time, not going from one extreme to the other but making those continuous improvements that are so important to industry.

The reason we have Bill C–99 before us today is to make the small business loans program revenue neutral for the government over time. When this legislation is implemented, we will be able to recover the cost of the program and the burden will not be placed only on taxpayers.

As has been mentioned, several actions have already been taken as of April 1, 1995. There is a new 1.25 per cent annual fee levied on lenders' average outstanding balance of loans made after March 31, 1995. The maximum rate a lender can charge increased by 1.25 per cent, the prime interest rate plus 3 per cent for floating rate loans and for residential mortgages it is rate plus 3 per cent for fixed rate loans. This means the program has been put on a cost recovery basis for all loans made after March 31.

• (1230)

Bill C–99 makes further changes to the Small Business Loans Act. The amended act will grant authority respecting the release of security, including personal guarantees taken by lenders for the repayment of the SBLA loans. It will grant authority to make regulations for the establishment of a claims processing fee. The bill will also improve government guaranteed coverage for low volume lenders.

The bill will enable the SBLA program to respond more quickly in the future to changing economic and program circumstances by allowing the guaranteed percentage to be adjusted by regulation, to be adjusted as mentioned as the future unfolds. As things change around the world, we are in the global economy and we will be able to adjust and make those changes on an ongoing basis. As has been said over and over, in this world nothing stands still; everything changes slowly and continuously.

The amended act will potentially accelerate an already legislated decrease in the percentage of an SBLA loan which is guaranteed by the government from 90 per cent to 85 per cent.

The theme for small business week this year is, New Markets –Opportunities for Growth. The government wants to help small businesses grow and expand. I have outlined the many ways in which we are doing that. However, we are not doing a favour to businesses if we hand them money while increasing the deficit which thus reduces the strength and growth of our economy.

We are working to get the basics in place. We are providing several sources of income to small businesses which have difficulty attaining access to capital through other sources. We are improving and refocusing these programs so they will better target those who really need them.

Without the subsidy in the SBLA program's present interest rate the higher cost of these loans will mean financially strong businesses will switch to lower cost commercial financing. More funding will be available to small businesses that really need the programs. We will be doing this in a revenue neutral manner which will not cost taxpayers extra dollars they do not have.

This is important legislation which builds on the government agenda to help businesses succeed. We want a strong and vital growing economy and we need businesses to grow to accomplish that. This bill means financing will be available to help the small business person and it will be provided without an additional cost to taxpayers.

The government has put forward many programs to assist small business. Community groups, of which I have one in my community called the FMP group, are excited about the changes this government is bringing forward to help small business.

I urge all members in the House to join me in support of Bill C–99, an act to amend the Small Business Loans Act, so that we can work together across the country. We have shared this country and have made improvements across this country. Likewise, I hope that when the people of Quebec, including Quebec's business people, come forward on Monday they will vote no in order to continue to share and make improvements in this great country of ours.

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I am very pleased to add my voice to those of my colleagues today in speaking on Bill C–99, an act to amend the Small Business Loans Act.

As parliamentarians we are frequently called upon by our constituents to assist in the creation of employment in order to boost the economies of our ridings and subsequently the economy of our country.

Often two very significant areas, increased employment and minimal debt, are found to be in contrast with one another. Bill C–99 will provide a vehicle whereby businesses have greater access to capital which of course in turn creates more employment resulting in a healthier economy.

• (1235)

In my riding of St. John's West, the community of Argentia was struck about a year ago by the closure of the U.S. naval base. The closure of that base caused the residents of the area a great deal of distress. However, they did not roll over and die at the thought of losing their jobs. Instead they decided to build on what had been left on the base by the Americans.

With the very generous assistance of this government, they are now slowly beginning to open a few new businesses. One of the greatest setbacks to many of those new businesses is the inability to obtain financing in order to keep the businesses going. They seem to be having difficulties obtaining the required financing because of the size of their businesses. This new act will be a major asset to them.

Bill C–99 is a vehicle those people will be able to use hopefully in the very near future so they can continue to keep their businesses operating. This loans act is a part of the government's overall strategy to provide a positive environment for the growth of small business, especially with regard to accessing financial capital.

The SBLA came into effect in 1961. Its purpose was to continue to increase the availability of loans for the establishment and improvement of small business enterprises. Since then more than 420,000 loans totalling over $15 billion have been made to businesses. For over 30 years the SBLA has been helping such businesses obtain capital for improvements and expansion. This government is committed to maintaining the basic nature of this successful program.

The goal of the program is to assist small businesses in obtaining fixed asset financing which is otherwise unobtainable because businesses lack sufficient collateral, they are too new, or they are not located in large growth areas such as central Canada. Of all SBLA loans, 35 per cent go to start–ups and a further 20 per cent go to businesses under three years old.

As I stated earlier, the SBLA is particularly significant in my riding of St. John's West because it does provide funding for the formation and stabilization of an economic foundation based on small enterprise. The benefits are widely recognized. It helps small businesses which are so important to the economy right across the country. They are the foundation for economic strength and stability. The future economy of our country has been built on small business and it will continue to depend on them.

The cod fishery off the coast of Newfoundland has suffered a destruction and now there is a moratorium. Alternate measures must be found to promote the economy of that area. The SBLA mandate provides for funding to be targeted toward small businesses which are lacking collateral, which are not new and which are not located in the large centralized or industrial areas of Canada.

Newfoundland is a province with an abundance of culture, an educated populace and an international accessibility through trade due to its coastal location. Throughout my riding of St. John's West, industry based resources are abundant. There are natural harbours, forestry, and watershed management, to name a few.

Since April 1993 activity under the program has increased dramatically. A potential program deficit of over $100 million annually based on the 1994–95 activity levels was threatening the sustainability of the SBLA. The proposed changes would decrease the costs and increase the efficiency of the SBLA. The resulting strengthening of the program will enable it to continue to provide benefits to small businesses.

The proposed legislation was developed after extensive consultation with lenders and borrowers alike. Recommendations of the Standing Committee on Industry and the small business working committee have also been addressed. The major recommendation of all those consulted was unanimous: the government should act quickly to put the SBLA program on a full cost recovery basis, a move initiated by a regulatory change effective April 1, 1995.

• (1240)

Bill C–99 moves to initiate full cost recovery. The regulatory amendments of April 1 include a new 1.25 per cent annual fee which is levied on each lender's average outstanding balance on loans made after March 31, 1995. The second amendment states that the maximum rate a lender can charge under the SBLA is increased by 1.25 per cent to the prime interest rate plus 3 per cent for floating rate loans, and to the residential mortgage rate plus 3 per cent for fixed rate loans. These changes have put the

SBLA program on a sustainable cost recovery basis for all loans made after March 31, 1995.

In addition to full cost recovery incentives, Bill C–99 provides for improvements relating to borrowers and low volume lenders. These changes are secondary to the major regulatory changes of April 1, 1995 which introduced a new annual fee on lenders and an increased maximum interest rate.

Bill C–99 will continue the process of renewal by putting in place additional changes to the SBLA. It will permit the release of security, including personal guarantees, taken by lenders for repayment of the loans. It will also permit the establishment of a claims processing fee by regulation. It will improve government guarantees for coverage for low volume lenders, to improve competition among lenders particularly in the smaller communities, such as those in my riding.

Bill C–99 will permit the SBLA program in the future to respond more quickly to changing economic and program circumstances by allowing the guarantee percentage to be adjusted by regulation. It will accelerate a previously legislated decrease in the percentage of an SBLA loan which is guaranteed by the government from 90 per cent to 85 per cent.

These changes are of particular importance to my riding of St. John's West because of the emphasis on smaller communities.

In addition, new resiliency clauses which will be implemented into the SBLA are tailored to help small business respond more quickly to changing economic circumstances.

In summary, the changes incorporated into Bill C–99 will ensure that the program will continue to be successful in assisting small businesses in obtaining the financing which they so badly need for expansion and the creation of jobs throughout the country.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, it is a pleasure to speak in support of Bill C–99, an act to amend the Small Business Loans Act.

I could start out by stating the obvious, that we are reminded daily that the future of jobs in Canada is to come from small business. We are reminded daily that it is the fastest growing sector with respect to job creation. In fact, it is that sector of our economy where there is opportunity for work. I have been reminded three times in the last six days of the importance of the small business sector.

Last Saturday I met with the chamber of commerce in my riding. In a brief which was submitted to me it was stated that there is nothing that can replace a job created by a small enterprise. We all agree with that.

On Wednesday night I was in the city of North York and had the opportunity to attend a small business fair which took place at the city hall. There was a large display by support agencies. There were all types of computer consultants and business consultants. It is important to note that the banks were also there in large numbers. There are groups within the communities which are willing to facilitate ongoing small business and are willing to work with people who want to create small businesses.

Last evening in my riding of Sarnia—Lambton the board of directors of Lambton College agreed to proceed with an innovative international trade centre. I am quite pleased to say I have been actively involved in this project. I started it with the college in conjunction with my neighbour across the river in the United States, Congressman David Bonior from the 10th congressional district of the state of Michigan.

We are working together on both sides of the border to facilitate small businesses in order that they can find markets on both sides of the border. We want to work in partnership so we have linked these two centres located at community colleges in Canada and in the United States by modem. Now a Canadian small business person can find a partner and can obtain the kind of information he or she needs to enter the American marketplace.

• (1245)

There are 40 million people living within an hour's drive of my riding. There are 80 million people within an eight–hour drive. The marketplace is not just within Canada for small business. Indeed, for many of us it is in the United States. I am pleased to say that small businesses are awakening to this marketplace.

I know of one small business operator in my riding who employs 17 people. He was able to increase his business by some 35 per cent by working actively in the city of Port Huron in the state of Michigan, 400 yards away from Canada.

The marketplace out there is huge. I know of another gentleman who employs two other people making ice boats. His market is in the area surrounding the city of Detroit on Lake St. Clair. He is able to do that from Canada.

There is a huge marketplace out there for small business but there are two areas of specific need that must be addressed to assist small business people. First, small business needs access to capital. That is stating the obvious. We must remember that job creation in the private sector requires an investment. It can vary.

I am talking only about the private sector. In the high tech business, the cost of creating a job, if I can put it in such blunt terms, is $750,000. In other words, that corporation must, to add a person to it, often invest up to $750,000.

In manufacturing in a general sense that number is somewhere between $750,000 and $1 million. That means a corporation must have several million dollars of capital invested to employ people. For those that are specialized the numbers increase even more. I can speak firsthand of the petrochemical and refining industries where the investment required of the corporation can be anywhere from $1 million to $1.5 million.

Changes in the way large industry works are in fact changing that ratio. Across North America we are undergoing a phenomenon known as restructuring. Large corporations examine their workforces and they tend to remove those who are not tied directly to production so that the ratio of job to investment is increasing all the time.

It is because of this that we have to look to small business where we know jobs can be created when an entrepreneur invests anywhere from $3,000 to $25,000. It is because of numbers like those that tells us the future of the job market is in the small business sector.

We all know also that access to funds is the number one obstacle encountered by small business. The Small Business Loans Act is there to support lenders and in turn help small business obtain debt financing often otherwise inaccessible to them.

I state the obvious when I say that if one reads any number of newspapers one will note there are, across the country, often complaints of the lack of access to funds. Although this will not remove every obstacle, it is working toward it.

It is important to realize that the Small Business Loans Act program is delivered not by government agencies but by private sector lenders. We know the Small Business Loans Act has been around for some 34 years now and this bill simply reflects what the realities of today are from a fiscal perspective.

Organizations such as the Canadian Federation of Independent Business, which I should point out is a group which never is hesitant to express its opinion, have supported this bill. That is an important factor to point out. There is support for this bill not just in the House but where it really counts, within the business community and especially within the small business community, a great number of whose representatives are members of the Canadian Federation of Independent Business.

• (1250)

As a result it is important that the House support Bill C–99. It has, since 1961, resulted in a program which I suggest has been successful. We are told that there have been some $16 billion lent by banks under the Small Business Loans Act since 1961. In many people's opinions it is not enough when one considers that in other economies around the world much greater numbers are spent on an annual basis on small business expansion. However, it is important that this tool be there. It is there as an economic tool and it is there as an example of public sector and private sector co–operation and partnership. That is becoming more and more important in government at all levels.

It is also important to remember that government costs associated with this program have escalated quite dramatically in recent years to the point where its sustainability has been called into question. This, quite frankly, is the reality of government today.

As a result, the government has initiated a review of the program and extensive consultations were held over a year ago involving all concerned parties. It is not a unilateral consultation. It is a bilateral consultation involving the public and the private sectors. We are certainly aware of the valuable input that the industry committee provided on this subject.

It is safe to say that the overwhelming consensus from all the major stakeholders is that the government must act swiftly to transform the Small Business Loans Act program into a full cost recovery situation. It must be operated on a full cost recovery basis.

The bill accomplishes this objective and will grant authority respecting the release of security. Many other speakers before me have laid out the technical details of it. I believe that the changes contained in Bill C–99 will complete a transformation process to make the Small Business Loans Act sustainable and realistic and a program that has the support of small business and business associations across the country.

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I want to add my support to everyone in Montreal today for the walk for unity. Canadians have come from all parts of Canada and I truly wish the best for everyone in Montreal, especially today. This is truly a reflection of our great Canadian spirit and our great Canadian family.

I am pleased to speak on Bill C–99, an act to amend the Small Business Loans Act. For almost 35 years now, the Small Business Loans Act program has provided a valuable means of assisting Canadian small businesses to obtain the financing they need for capital, improvements and expansion.

The government is firmly committed to maintaining the basic nature of this successful program. This act is truly important for the riding of Lambton—Middlesex. I represent a rural riding with the largest urban centre being Strathroy with a population of about 11,000. My riding depends on the small business for economic growth and success. Businesses vary from the manufacturing of clothing and footwear to food processing and auto parts, to name a few.

The Small Business Loans Act encourages financing for small businesses which typically have difficulty in securing fixed asset loans financing for the establishment, expansion and/or modernization.

Under the SBLA, the federal government guarantees loans up to $250,000 which are made to small businesses by private sector financial institutions. New and existing businesses which are not farms or religious or charitable enterprises are eligible for Small Business Loans Act loans as long as their annual gross revenues do not exceed $5 million annually. It is safe to say that the SBLA has been to some degree responsible for the dramatic success of the small business sector in helping keep the Canadian economy vibrant.

• (1255)

Job creation is one of the most important economic contributions made by the small business sector. Since the late 1970s, smaller firms have been the key contributors to net job creation. Between 1979 and 1989 alone, businesses with fewer than 100 employees created over 2.3 million net new jobs in the Canadian economy, 87 per cent of all growth in private sector employment during that period. The self–employed added a further 400,000 new jobs to this total.

The role that the SBLA plays in nurturing small businesses, particularly start–up businesses, is significant. The objective of the act is to assist in the establishment of small businesses and the stats indicate that this objective is being met. From 1990 to 1994, 40 per cent of SBLA loans were made to start–up companies, which together with other very young businesses, those three years old or less, have obtained about 50 per cent of all SBLA loans.

The SBLA is meeting its goals and objectives in other ways as well. As is intended, the average size of loans made is modest. From 1989 to 1993, the average size SBLA loan was $38,000 and 38 per cent of the loans were $20,000 or less, 63 per cent were $40,000 or less. In 1994 the average loan size increased to $58,000, mainly because of an increase in the permissible maximum loan limit.

While these stats confirm that the program is serving start–ups in young business and providing loans of smaller amounts, there is other evidence to show that the SBLA is promoting the establishment and expansion of businesses in other ways. In a review carried out by independent consultants in 1992, some 60 per cent of the borrowers surveyed indicated that they would not have been able to obtain a bank loan without the assistance of the program. The review cross–checked and confirmed this finding when lenders surveyed reported that 50 per cent of the loans would not have been granted in the absence of this program.

Another study of the SBLA was undertaken in 1994 by a team of analysts under Dr. Allan Riding of Carleton University. Dr. Riding surveyed SBLA loan files and also worked with the Canadian Federation of Independent Business survey data. Dr. Riding found that the SBLA borrowers tend to be those targeted by the act and, as intended, their businesses tend to be smaller, more risky and with fewer resources than the non–SBLA borrowers.

Dr. Riding concluded that some 50 per cent to 70 per cent of the SBLA loans are truly incremental; that is, the lender and the federal government as guarantor are demonstrating confidence in the borrowers because of the risky nature of his or her business.

The SBLA program is an important one for small businesses and a popular one. A fivefold increase in the use of the program has resulted in a potential annual program deficit of $100 million or more. Clearly this would have been an intolerable burden on the taxpayer, one which would have made the SBLA program unsustainable.

The importance of the program to small businesses required that it be updated and modernized so that it can continue to provide its benefits. In particular, the program needed to be truly sustainable through a move to a full cost recovery. Full cost recovery was supported by all those who made their opinions known, both borrowers and lenders, during the extensive consultations that preceded both the changes before us today, as well as the changes of April 1, 1995.

Significant action has already been taken by the government to achieve cost recovery. Effective April 1, 1995, a new annual fee of 1.25 per cent was introduced on lenders' outstanding balance of SBLA loans made after March 31, 1995. The maximum interest rate charged by lenders was increased by 1.25 per cent to the prime rate plus 3 per cent for floating rate loans and to the residential mortgage rate, plus 3 per cent for fixed rate loans.

• (1300)

Bill C–99 will institute a second set of changes, some of which relate to program improvement and others to the recovery of the program cost. These changes include accelerating already scheduled decreases in the government loan guarantee from 90 per cent to 85 per cent. They will grant authority to make regulations for the establishment of claims processing fees and regarding the release of security, including personal guarantees taken by lenders in repayment of SBLA loans. They will improve the government guarantee coverage for low volume lenders.

Furthermore, they will enable future changes to the level of government guarantees to be made through the regulatory rather than the legislative process. This will add flexibility to the program and permit easier fine tuning in the future.

The move to cost recovery for the SBLA and the introduction of a new fee structure were announced in December 1994 when the Minister of Industry presented the paper "Building a more innovative economy" to the House of Commons. After consultations with all stakeholders the annual 1.25 per cent fee was deemed necessary to achieve immediate cost recovery on all new loans made after March 31, 1995.

The losses being incurred annually under the SBLA program were threatening to spiral out of control. They were in excess of $100 million a year. The SBLA shortfall was also adding considerably to the overall deficit the government is determined to reduce. The program is a good one. The SBLA performs a valuable service, one that should be continued.

With the changes being brought about by Bill C–99 the move to bring the SBLA to full cost recovery will be completed. Efficiency in making future changes to the SBLA will be improved. Unnecessary subsidies to businesses will be ended and a significant advance will be made in the government's fight to control the deficit.

I urge all members of the House of Commons to work for swift passage of the bill.

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, it gives me pleasure to speak to the debate today. I have been involved in the question of how we provide financing to small business for some time and it is my feeling that the act in some way is somewhat misnamed.

If we reflect on it for a moment, perhaps we should call it the Canadian banking system failures act, because it is the failure of our banking system to adequately provide support to small businesses that makes the act necessary.

In the late 1980s and early 1990s I had the privilege of co–chairing a task force on the Manitoba economy which travelled the length and breadth of the province. It held meetings with chambers of commerce, town councils, small business people and large business people from all over the province of Manitoba. The one thing we heard over and over again was that for small, remote centres access to financing was extremely difficult.

We must ask ourselves why that is. We have a comprehensive system that the government has supported since the creation of the country. Banks throughout the country function in an oligopoly and have incredible protection from competition. They have the ability to fall back on the government and the taxpayers to bail them out whenever they make a mistake in a foreign country.

Why cannot banks, which as a result of that protection have become incredibly profitable, adequately meet the needs of small business? That is an important question we must ask ourselves and must keep asking the banks until we get an answer. We are correcting a flaw that should be corrected by the banking system.

• (1305)

We are talking about raising the loans, capital or equity available to small business to an average level of about $4 billion a year. We say that will cost us, if it spirals the way it has been, about $100 million a year. I ask members to reflect on what percentage of last year's bank profits is $100 million. If they do the mathematics they will find that it is something less than 1 per cent. Is it too much to ask the Canadian banking system to invest 1 per cent of its profits in Canadian small businesses? Why is it incapable of meeting this challenge?

An example that comes to mind is a small business in south central Manitoba in the riding of the member for Lisgar—Marquette. It had 12 employees and made electrical equipment. It designed a yard light. The principal of the business was something of an amateur inventor. He developed a number of successful products that are now being marketed throughout the world and can certainly be found in almost every farmyard in western Canada.

Through ingenuity and hard work he managed to convince a giant company, Quebec Hydro, of the efficiency of one of his products. Quebec Hydro gave him an order. It is a huge company that is certainly capable of paying its bills. The first order in the series was something like $9 million. However there was a catch. He had to meet the time requirements that are quite common in today's business world. He had to increase his inventory to a level that would meet the demand requirements of the order from Quebec Hydro.

Despite the fact he walked into the bank he had been doing business with for 20 years with the signed contract in hand, he could not get the bank to lend him the money. It could not happen because it was larger than the bank's policy for that area or because the bank did not understand that a business capable of doing that amount of business could exist in a small rural town in Manitoba. Whatever its rationale the bank did not respond to his need.

The banking system that we protect, that we bail out when it gets into trouble, that we protect because we want to have secure access to capital available for the economy, could not respond to his need. It is a tragedy.

If we look at what we are talking about here and we look at the Carleton study, the average business which received funding under the legislation had 7.5 employees. They have annual sales of roughly three–quarters of a million dollars and before tax profits of just under $50,000. These are the small businesses of the country.

On average 88 per cent of the businesses that received funding under the act created 5.3 new jobs. They did what we have claimed small business would do. If we give them access to capital they will create the jobs and they will create per dollar more jobs than large corporations. That is one of the reasons we agreed to increase the total lending available under the legislation.

Nearly 30 per cent of small businesses reported that as a result of the loans they were able to obtain they became more efficient and decreased their costs and 41.7 per cent reported their loans helped their firms to survive.

I support the legislation. It is a necessary and important change that makes it possible for small businesses in Canada to continue to fulfil a role in our community that is important to all Canadians, the creation of jobs, allowing people to obtain work and live in dignity. This is the foundation of the economy. Why cannot large banks, the banks with the billion dollar profits, find it within their operations to fill this niche? Why can they not find resources within their huge operations to meet the needs of small businesses?

• (1310)

We have a real problem. I was disappointed today to hear the question of the member of the Reform Party from Lloydminster who spoke strongly against regional economic development and against the provision of capital to businesses in western Canada. It showed a profound misunderstanding of some of the problems businesses face.

Another example I will use that came across my desk recently is of a company in Winnipeg, not a small town but a relatively large centre with some financial strength, which is extremely profitable and doing very well in the construction sector. It has lots of work and has never been at risk. All of a sudden its credit lines were changed. It had not defaulted on anything. Its business was still strong. It was doing well. It inquired into why there was a change in the payment of certain bills from 90 days to 30 days.

The answer had nothing to do with western Canada. It had nothing to do with that business. The answer was that losses had been sustained in southern Ontario.

There is a real problem. If we talk to people in medium size businesses in western Canada we find there is a serious problem. They can grow to a certain size but to get above that the capital is not there. Or, if it is there, they have to work harder and pay more for it than a similar business in Toronto. That is not right. That is a failure of the market in the same way that the legislation represents a failure in our banking system.

Those are the places where government can play a role. Those are the places where government can act to ensure that the necessary resources are available so small businesses continue to produce the jobs members of Parliament and our constituents want them to produce.

I support the legislation I am sure all members of our caucus support it. We will be voting for the legislation when it comes forward. We are saddened by the fact that the banking system has been unable to respond to this need. We feel it is such a vitally important area that the government must continue to be involved and strengthen its involvement in support of small business.

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 of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to the standing orders the division stands deferred until Monday at the ordinary hour of daily adjournment.

Mrs. Cowling: I rise on a point of order, Mr. Speaker. I believe you would find unanimous consent to further defer the vote on second reading of Bill C–99 to Tuesday, October 31, at 5.00 p.m.

[*Translation*]

The Deputy Speaker: Do I have the unanimous consent of the House to defer the vote until Tuesday, October 31, at 5.30 p.m.?

Some hon. members: Agreed.

[*English*]

Mrs. Cowling: Mr. Speaker, on another point of order, I believe you would find unanimous consent to call it 2.30 p.m.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: Accordingly the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 1.16 p.m.)

HOUSE OF COMMONS

Monday, October 30, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA HEALTH ACT

Mr. Bill Blaikie (Winnipeg Transcona, NDP) moved that Bill C–284, an act to amend the Canada Health Act (conditions for contributions), be read the second time and referred to a committee.

He said: Mr. Speaker, I am in the happy position today of being able to report to the House that a great deal of progress has been reached on this issue since I introduced this private member's bill. I understand that a protocol such as this bill would have provided for is more than just in the works. There may even be a document outlining the protocol in circulation for comment, although it is hard to pin that down.

I thought the best thing I could do at this point is give a bit of a history of the development of this issue leading up to the present and a few words about where I think it should go now. I thank the hon. member for Hamilton West for seconding the motion.

Many members of the House will be aware that firefighters have been lobbying for a long time for a national contagious diseases reporting protocol. They have their annual lobby on the Hill and they meet with many members of Parliament. This is one of the three or four items they have been stressing for a number of years now.

Firefighters and other emergency responders have been concerned about developing a protocol so that they could be informed if they were likely to have been in contact with a contagious disease in the course of their work and provided with the appropriate medical treatment and counselling in the event of exposure on the job.

In February 1992 NDP labour critic Joy Langan, the former member for Mission—Coquitlam, introduced a private member's bill that found an elegant solution to the constitutional problem which had presented itself with respect to this issue; that this was regarded as being in the provincial jurisdiction.

• (1105)

Her bill would have amended the Canada Health Act to make it necessary for provinces to set up their own protocol if they were to receive federal health funding. The idea was to use the federal spending power in health to establish a contagious diseases protocol in exactly the same way the federal spending power was used to establish medicare nationally and to establish other conditions for the receipt of federal transfer payments for health care. In effect the establishment of this kind of infectious diseases protocol would have been another national standard, so to speak.

Although the bill was never debated in Parliament there was all–party support for the idea among members. After negotiations the NDP at that time managed to get the matter referred to the Standing Committee on Health and Welfare.

The committee held hearings in early 1993 and tabled a report in June of that year. The committee recommended, among other things, that the federal government "encourage the provincial and territorial governments to develop and implement within their jurisdictions a protocol for post–exposure management and follow–up of emergency response personnel exposed to airborne and blood borne diseases". It asked the government to report back to the committee in one year on the progress in establishing such a protocol. This amounted to a substantial endorsement of the principles of Joy Langan's bill.

Although it was too much to ask that the federal bureaucracy actually fulfil the one year deadline set up by the committee, in September 1994 the Liberal government did hold a national symposium on infectious diseases and emergency responders which I attended in part as an observer in my new capacity as the NDP labour critic.

The symposium brought together provincial and federal officials as well as a wide range of stakeholders among emergency responders. The symposium heard very good reports on the development of a protocol in the province of Ontario in which an NDP provincial government at that time, responding to firefighter concerns, had taken the initiative. There was a lot of enthusiasm for its development and application in other provinces and territories.

I say with some pride this was not the first time an NDP provincial government led the way on such issues. By taking the initiative and by doing the pilot project it put pressure on other provinces and the federal government to do likewise. While we are talking about the Canada Health Act this is how we got our publicly funded health care system in the first place, medicare, when the Saskatchewan NDP government of many years ago did a similar thing in the sixties.

I tried to add to the momentum building for a national protocol by tabling a private member's bill early in this Parliament. It was very similar to Joy Langan's but added a section that would have improved the privacy concerns about the release of private medical information. That was one of the concern's about Joy Langan's bill tabled last Parliament.

Even with all this momentum building toward a national protocol, the two private members' bills by NDP members, reports by a House committee and a national symposium and the Ontario protocol, it appeared that in May the government was backing away from a national protocol. I remember asking the Parliamentary Secretary to the Minister of Health about the government's intentions in this regard. She appeared at that time to be washing the government's hands of the issue and she answered me only that health was a provincial responsibility, and that was the end of the matter.

However, the International Association of Fire Fighters, to its credit, kept up the pressure and in June of this year a meeting was held between federal and provincial health officials and other stakeholders in which a national protocol was agreed upon. I have yet to see the final version but it is my understanding the International Association of Fire Fighters was very satisfied with the results of that meeting.

• (1110)

What I understand to have happened between then and now is the federal and provincial governments have agreed to a protocol that would allow emergency workers to learn of any health risks they may have been exposed to in the case of significant exposure to blood borne infectious diseases.

I understand the agreement has built–in protections for the confidentiality of patients' medical records, setting up a procedure through which emergency response personnel who have had significant exposure to blood can contact the local medical officer who in turn seeks information from the hospital on behalf of the affected emergency personnel.

In June the federal government said it would release a document by mid–October. I understand from conversations I have had with the firefighters as recently as Friday that this has not yet been done. I also heard from officials in the health minister's office that at least they think there is a document in circulation for comment.

At this point in the development of this issue there seems to be some confusion. Perhaps whoever is speaking with the knowledge of what goes on inside the government today can clear this up. People feel progress has been made. It certainly appears progress has been made. We had the successful meeting in June, the agreement on a protocol. Firefighters have an understanding of what that protocol will be like. However, there is still no document which outlines the details of that protocol so that firefighters and others like me would be able to respond with some knowledge of what has actually been agreed upon and what the details are.

It would have been nice if that document had been released and in an obvious and available kind of way in mid–October. On the occasion of debating this bill we would have been able to talk about the details of the bill. If there were some constructive criticisms to make they could have been made here or they could have been responded to here. However, we are not in that position now.

Unfortunately with these kinds of things we will not be in this position ever again because the bill will be debated only for this hour; it is not a votable bill. Frankly, given there is this kind of progress, unless we are all being mislead in some way there is really no need for the bill to go to committee or for it to proceed. We do have a protocol but we are not able to comment on the details at this time. I invite members opposite who may be in the know to say more about this.

I do not mean to single this out for special praise or commendation, as there are others, but it is an example of how through the private member's process an issue can be advanced, pushed and kept on the agenda. Eventually the government finds itself in a position to respond because it feels it has to or it finally becomes convinced of the need to respond or it is one of those mysterious political democratic things where at a certain point something becomes acceptable and doable that seemed very difficult to accomplish only a short time ago or yesterday, as one hon. member has said.

I am very glad to see there has been this kind of progress. It is preferable to have happened in this way. We are in a debate now about the imposition of national standards and conditions through the use of federal spending power through the Canada Health Act. It probably would not have been the preferred route given the current political and constitutional climate, shall we say, to have invoked the Canada Health Act as a way of achieving this. Although if push came to shove that procedure was there and that was a way to have the federal government seized of the issue and putting the government in a position

where it could not say there was nothing it could do because this was a matter of provincial jurisdiction.

I think federal spending power ought to be used in areas where it is important to delineate and to enforce national standards. In that respect I am sure I have some disagreement with some of my colleagues in the House.

• (1115)

I am attached to the Canada Health Act. I was here in the House when it was passed in April 1984. I was a member of the health and welfare standing committee which studied the bill. There are amendments and phrases in the bill which I moved myself. In my political judgment, the bill owes its existence in part to the pressure which we brought to bear on the government between 1980 and 1984. In fact, in her book, *Medicare in Crisis*, Monique Bégin openly credits the NDP for the role it played in pressing the government to bring in the Canada Health Act.

I raise all of this because now there is a different third party in the House, our Reform Party colleagues. I often see a stark contrast between what we called for when we were the third party and there was a Liberal government and what the Reform Party is calling for. We said to bring in the Canada Health Act and to eliminate user fees and extra billing. Now the third party in the House is saying: "Get rid of the Canada Health Act and let us not have national standards any more. Let us permit the provinces to do what they will". There are two competing visions of what is a national government.

One of my concerns today as we contemplate the vote in Quebec, is that regardless of the outcome, if I hear the Prime Minister and others correctly, even if there is a no vote we are on the verge of major decentralization. I urge my Liberal colleagues, no matter what changes may be undertaken in response to a no vote by way of decentralization, that what we achieved together, the NDP and the Liberal government at the time, on the Canada Health Act and the notion that when it comes to health care there are values, procedures and standards we all hold in common as Canadians wherever we live from coast to coast to coast, be held up and not surrendered in the wake of a no vote.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I rise to speak on Private Members' Bill C–284, an act to amend the Canada Health Act.

Let me say at the outset that I am extremely sympathetic and supportive of the plight and concerns of emergency response workers. Their devotion to preserving and protecting the lives of others often puts them unwittingly at risk of injury or exposure to disease. They are not aware of what the patient is carrying.

I understand and support the motive behind Bill C–284. Unfortunately, the Canada Health Act is the wrong instrument. The amendment is not within the scope of the act. The Canada Health Act sets out the broad principles under which the provinces are expected to operate medicare. An amendment dealing with the disclosure of infectious diseases is inconsistent with this purpose.

While the protection of health care workers from contagious diseases is an extremely worthwhile public health objective, the Canada Health Act is not the proper vehicle by which to achieve this. Let me explain.

Our health care insurance system is composed of 12 interlocking plans which are managed at the provincial and territorial levels. The federal health insurance legislation, which is what the Canada Health Act of 1984 is, establishes the criteria provincial plans must meet in order to qualify for a full share of federal health care transfers. Federal transfer payments may be reduced or withheld if a province contravenes the conditions of the act.

I will discuss these criteria, the cornerstones of Canada's health care system.

There is accessibility, which means access to medically required services regardless of ability to pay. That translates into no charges at point of service. There is comprehensiveness, which means a comprehensive range of medically required services. Universality means the coverage of all provincial residents must be given equally regardless of pre–existing conditions or diseases. Portability ensures that benefits go from province to province and abroad. Finally, public administration of medicare means that the plan must operate on a non–profit basis.

• (1120)

In addition to those five principles, the Canada Health Act requires that provinces provide medicare information to the federal minister when she needs it. In order to qualify for federal cash contributions, provinces also need to give recognition to the fact that the federal government does transfer payments.

The Canada Health Act also discourages extra billing or user fees. If this is broken, there will be automatic dollar for dollar reductions or withholdings of federal cash contributions to that province or territory. The threat that user charges and extra billing would erode accessibility to medicare was a major reason for the development of the Canada Health Act in the first place. It was enacted to protect those five fundamental principles of medicare I just spoke about. Nearly all provinces have committed themselves to upholding these principles even while making needed reforms to the system.

Canadians support the five principles and feel that medicare is a defining Canadian value. Results of a recent poll indicate that support for these national principles is higher than ever.

The Canada Health Act which defines medicare is close to the hearts of Canadians. It is something too risky to tamper with. The amendments to change the Canada Health Act as proposed in Bill C–284 by my hon. colleague cannot be supported.

The amendments ask that the name and nature of an infectious or contagious disease be disclosed to emergency response workers who may have been unknowingly exposed to that disease. While I support this objective, the amendments themselves affect the definition of hospital services. This will change the Canada Health Act criteria which deals only with the principles and funding of medicare. Rules are set out concerning the non–compliance with the Canada Health Act and are part of the act.

In short, Bill C–284 asks that provincial and territorial plans impose a responsibility on hospitals to disclose to emergency response employees whether a patient to whom they are providing service has an infectious or contagious disease which is fine. However, it seeks to do this by making it a criteria of the Canada Health Act.

The disclosure of infectious or contagious diseases is a public health issue. It is not of the same nature as the principles and funding issues in the Canada Health Act. The protection of emergency response personnel is not even close to the purpose of the Canada Health Act.

Moreover, the act deals with the organization and delivery of health care services at the provincial and territorial levels and not with the regulation of internal operations of hospitals which falls under provincial and territorial jurisdiction. It would be intrusive to ask the federal government to impose on or intrude into the federal–provincial primary responsibility for hospital management which is a constitutionally protected right.

Moreover, Bill C–284 raises issues with regard to civil laws and rights and privacy laws in the provinces and territories. The federal government cannot really interfere in these issues.

What I am trying to say is that worthwhile though the member's intent may be, the Canada Health Act is not the proper place to regulate such matters which constitutionally fall under provincial jurisdiction and should be better handled at that level. The federal government cannot dictate to a province or territory how to run its health care plan, much less tell it how to run institutions. All it can do under the Canada Health Act is to place conditions on transfer payments to the provinces and territories.

At a meeting of health ministers in Victoria recently, provincial and territorial ministers reaffirmed their support for the principles of the act and agree to continue to collaborate in interpreting and applying its provisions. Provincial and territorial ministers agreed with the federal Minister of Health to work together to develop a vision for the future of medicare.

• (1125)

Contrary to the misunderstanding of certain parties, the Canada Health Act is not an impediment to the management changes which are needed to meet medicare's challenges. In fact, the flexibility inherent in the act has always been one of its strengths.

Since the enactment of the act in 1984, the federal government has attempted to work with the provinces in order to make the act a viable piece of legislation. The federal government recognizes that provinces and territories have primary responsibility for the management, organization and the delivery of health care services, including institutions and health care providers. Sufficient flexibility to operate and administer their health care insurance plans is obviously necessary if they are to meet the regional and local needs and conditions.

At the August conference, provincial premiers and territorial leaders were unanimous in their support of the publicly funded national health care system and reaffirmed their commitment to the principles of the Canada Health Act. It would be dangerous therefore, to tamper with those principles when they have received such wholehearted support. If we want medicare to survive, we must be vigilant against seemingly innocuous tampering as against more blatant threats such as user charges which as we know arise now and then.

I come back to the point that while the protection of health care workers is a serious concern and one which I share with the hon. member, the Canada Health Act is not the vehicle with which to address it. At the same time, the department has been involved with the prevention of infectious diseases and the protection of emergency response personnel for a very long time and is continuing to work with them on issues of concern. Let me give a few examples of our recent achievements in this area.

In 1994 a national symposium on risk and prevention of infectious diseases for emergency response personnel was held to explore the same question the member is talking about and to look at implementing where possible preventive and protective actions for those workers.

In June of this year a consensus conference was held with the objective of establishing guidelines the provinces and territories could use to develop and implement an infectious disease notification protocol for emergency responders. These guidelines are good examples of how the provinces and territories look to the federal government to provide a leadership and co–ordinating role in discussing issues related to health protection.

I have confidence in the ability of emergency response workers as the ones who are best qualified to seek solutions in conjunction with their provincial and territorial governments, health professionals and experts in infectious diseases. They have our support.

The Canada Health Act which protects our universal and comprehensive health care system agrees with that commitment. However, facing the challenges and finding solutions to problems which arise over the years took commitment as well and the commitment is still there today.

Today we can look back with pride on our past accomplishments, but we cannot be satisfied to rest on our laurels. The systems and the federal provincial relationships face many challenges and the issue raised by Bill C–284 is such a challenge. To this end, we as a federal Ministry of Health have taken the appropriate steps to support the concerns and efforts of the emergency response workers. At the same time the federal government cannot support an amendment which has no place in the Canada Health Act.

I encourage all hon. members to participate in the discussion of this issue with emergency response workers at the constituency level and to take appropriate steps to assist them in this important and worthy objective.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I am pleased to speak on Bill C–284 today, an act to amend the Canada Health Act, sponsored by the member for Winnipeg—Transcona.

The purpose of the bill is "to incite the provinces to make sure that the health care insurance plan of a province provides for the obligation for hospitals to disclose to emergency response employees who provide emergency medical or rescue services to a patient, the name and nature of an infectious or contagious disease that the patient might have transmitted to them". The essence of this bill is to ensure the safety of those who work in medical or rescue operations who are at risk of being exposed by an infectious or contagious disease.

The dedication of the people to whom this bill is addressed is to be commended and admired. I have talked with different emergency response workers and know their dedication and the risk they face each time they respond to an emergency. These professionals are police officers, firefighters, emergency medical technicians and paramedics.

• (1130)

I can agree with the intent of the bill. However, I disagree with the the means by which it seeks to accomplish and implement that purpose. Specifically, the bill seeks to amend the Canada Health Act by adding additional criteria to the list.

I must agree with the Liberal parliamentary secretary that the Canada Health Act is not the vehicle for this. I will go on to explain why.

Clause 2 of the bill amends section 7 of the Canada Health Act. Section 7 outlines the principles of the Canada Health Act. These are public administration, comprehensiveness, universality, portability and accessibility. The bill would add an additional criteria to that list and that is the disclosure of infectious or contagious diseases.

The Reform Party has consistently demonstrated how the Canada Health Act has allowed the federal government and others to play a carrot and stick game with the provinces. The carrot is the money that the federal government transfers to the provinces for medicare. The stick is the heavy handedness of the Canada Health Act that allows the federal government to financially penalize the provinces.

Sections 14 and 15 of the Canada Health Act allow the federal government and the health minister to financially penalize provinces if the minister has found that the province is in violation of sections 8 to 13 of the act. These sections deal with the five principles, as I have mentioned, of public administration, comprehensiveness, universality, portability and accessibility and finally, the conditions for the cash contributions or payments to those provinces.

The bill adds an additional criteria to a list that Reform members feel is intrusive already. It adds the disclosure of infectious or contagious diseases. By adding it to the program criteria of section 7 of the Canada Health Act, it would create another basis for the federal government to financially penalize these provinces. We have just gone through a recent example of how the federal government imposes its will on provinces with the issue, debated in this House, of private clinics in Alberta and other provinces.

Although the purpose and the intent of the bill is commendable, I disagree with the way it is designed to legislate that purpose.

Reform has a different and fresh philosophy to approach medicare in Canada. Our approach, and we call it medicare plus, contains the following: first, we reaffirm that the value of medicare is the best health care safety net in the world. Second, we would define medicare as Canada's comprehensive set of core national health standards, publicly funded, portable across Canada and universally accessible to all Canadians, regardless of their ability to pay. These are essentially the principles that now exist in the Canada Health Act.

We differ from the Canada Health Act and from the view of the government and the approach taken in this bill by removing the restrictions and the ability of the federal government to penalize provinces within these criteria. That is the plus of medicare plus and the third of our proposals. We would give provinces greater flexibility to administer and deliver the health services within their own respective jurisdiction. That is our general philosophy and our approach to federal involvement in medicare.

It would apply to Bill C–284 as well. We believe the provinces should decide whether or not to pass legislation on the disclo-

sure of infectious or contagious diseases rather than be compelled by a federal government through the Canada Health Act.

As my colleague mentioned today, in June there was a federal–provincial notification protocol established in this area. This dealt with blood borne diseases and took into account the confidentiality concerns and the procedures that would result. I commend the government for proceeding in this direction.

One question I have today of the government, as my colleague also had, is why this was not proceeded with and then the information given to the people discussing the bill today? Again this is a reflection of the inactivity in the House or the lack of proaction on real measures that need to be addressed within this place. This is unfair to Canadians, specifically to the emergency response personnel for instance within this very bill.

• (1135)

Bill C–284 illustrates once again the failure of the government to proceed with substantive steps in the proper areas where Canadians need things addressed.

Generally my philosophy would be that it is grassroots not Ottawa that must reform an ailing health care system in terms of the Canada Health Act. Bill C–284 speaks to increased federal control over a medicare system that is increasingly unaffordable at the federal level. Ottawa's share of our medicare system was originally 50 per cent and is now down to approximately 24 per cent or less. Its share will likely disappear within 10 to 15 years.

The symptoms that we see are bed closures. In my own provinces hospitals have closed. There are long waiting lists, up to seven to twelve weeks for procedures. There has been a de–listing of medical services so that each province may have a different base from which to work. There is reduced medical coverage for Canadians travelling abroad. As important as any of the others, there has been an exodus of some of our expert medical personnel from our land.

Reform says that the five program criteria should be maintained but we have to re–examine the definition of those program criteria. We have to allow room for provinces to exercise administrative jurisdictions over the funding and delivery of our health care system. The crisis in our country is not what is done but of federal government intrusion into provincial jurisdiction.

Today, we think of Canada as a grand old house that has fallen into a serious state of disrepair. Today I stand with great trepidation as I see the foundations of that house facing a great test. It is true that the house of our nation has an unsustainable mortgage. It has a cracked foundation. It has serious problems with some of the ways that the walls are fitting together and how the communications work within that house.

However, within the last few days I have seen many Canadians speak out with a great love and a newly discovered feeling of the importance of this country to them. This is all the more reason that I feel today it is time for the government to recognize that there has to be a new relationship within this House, new federal–provincial relationships outside the Constitution. Our own party has suggested 20 ways where we can bring provinces and the federal government together so that as a nation we can stand together today and tomorrow in order to make this country work.

Decentralizing those powers includes a medicare system that works for all Canadians, that is sustainable and that will be here today and tomorrow. I challenge the government to change our medicare system so that it will work. I also challenge the government to look at many other things, as we have suggested, so that we have a Canada today and tomorrow.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I rise to speak on the subject of a private member's bill, C–284, an act to amend the Canada Health Act.

Under the Canadian Constitution the responsibility for health care falls primarily under the jurisdiction of the provincial and territorial governments. In other words, the provinces and the territories have a primary responsibility for the provision and delivery of health care services to the people of Canada.

This means that they act as planners, managers and administrators of their own health care systems. In practical terms, this includes negotiation of budgets with hospitals, approval of capital plans and the negotiation of fee agreements with medical associations. For its part the federal government by law is responsible for the promotion and preservation of the health of all Canadians. The Department of Health is responsible for bringing together parties on health issues of a national and interprovincial concern.

• (1140)

The federal government also assumes a responsibility for setting national policies and for providing health care services to specific groups such as treaty Indians as well as the Inuit.

It is appropriate when describing federal responsibilities in health care to note what the federal government cannot do. It cannot interfere in provincial and territorial responsibilities as defined under our Constitution. Nor can it be seen to be infringing on these responsibilities.

Bill C–284 attempts to require provincial and territorial health insurance plans to impose a responsibility on hospitals to disclose to emergency response employees whether a patient to whom they are providing service has an infectious or a contagious disease. I sympathize with the concerns of emergency response workers. They must be commended for accepting the

fact that they are at risk of exposure to diseases that may not be completely preventable in serving the public.

Indeed my wife and several members of my family are employed in the health care field as well as in the emergency response field. Therefore I understand and support the motives behind Bill C–284.

However, it is the provinces and territories that are responsible for all matters dealing with their hospitals. This represents what would be perceived as an intrusion on provincial and territorial responsibilities under our Constitution. It is not an easy solution as one would think. There is in this country a longstanding partnership between the federal, provincial and territorial governments with regard to health care.

The enactment of the Hospital Insurance and Diagnostic Services Act of 1957 and the Medical Care Act, 1966–67 established a framework for this partnership between governments. At this time the federal government provides a sharing of the cost of medically necessary hospital and physician services in return for the adherence of the provincial and territorial health insurance plans through the principles of a national program.

Federal legislation, the the Hospital Insurance and Diagnostic Services Act and the Medical Care Act recognized the constitutional position of provincial and territorial governments and left each with the responsibility of administering its respective plans.

Concerns over hospital user fees and extra billing by physicians led to the passage of the Canadian Health Act in 1984. This was achieved with all–party support. The federal government's aim in passing the Canada Health Act was to reaffirm its commitment to the original guiding principles expressed in earlier legislation. It was also to provide a mechanism to promote the provinces' and territories' compliance with the act's criteria, conditions and extra billing and user charge provisions.

In short, the Canada Health Act was intended to encourage reasonable access to necessary health care services on a prepaid basis for every resident of Canada. The provinces and territories have retained their responsibility of administering their health insurance plans under the Canada Health Act. They continue to be responsible for negotiations with physicians and hospitals.

Since the introduction of government sponsored health insurance, physicians have been free of the administrative constraints of managed care found in the United States and this continues under the Canada Health Act. Hospitals retain the freedom to charge for semi–private or private rooms and for meals and accommodations for chronically ill patients who are more or less permanently resident in hospitals.

The Canada Health Act's criteria is known to most Canadians and regarded as the defining principles of medicare. The principles of public administration, comprehensiveness, universality, portability and accessibility are valued and cherished by Canadians who will not accept changes to them. The results of a recent poll indicate that support for these national principles remain at an all–time high.

Provincial and territorial ministers of health share this support. On many occasions the provincial and territorial ministers reaffirmed their support for the principles of the act and their agreement to continue co–operation in interpreting and applying its provisions.

The Canada Health Act's criteria relate to the organization and delivery of health care services at the level of provincial and territorial health insurance plans. Bill C–284 proposes to add disclosure of infectious or contagious diseases to the Canada Health Act's criteria. However this addition deals with a hospital requirement, while the Canada Health Act pertains to provincial and territorial health insurance plans.

If such legislation could be enacted we would be concerned that it may give false assurances to emergency workers and their families that if they are not informed they are not infected. Unfortunately some diseases may not be detectable, at least using current methods, until some time after the infection. Solutions must be sought to meet this problem.

• (1145)

Health Canada has been involved with the prevention of infectious diseases and the protection of emergency response personnel for a very long time. Let me give a few examples of our recent achievements in this area. In 1994 a national symposium on risk and prevention of infectious diseases for emergency response personnel was held to explore the risks emergency responders face and the preventive and protective activities presently available.

In June 1995 a consensus conference was held with the objective of establishing guidelines the provinces and territories could use to develop and implement an infectious disease notification protocol for emergency responders. These guidelines are a good example of how the provinces and territories look to the federal government to provide a leadership role in issues related to health protection.

I also have confidence in the ability of emergency response workers themselves, as those who are admirably qualified to find solutions, to join with us to alleviate the risk of infection along with the provincial and territorial health departments, health professionals and experts in infectious diseases. Given the large burden for our health that emergency response workers carry, I am sure that provincial and territorial governments are

sympathetic, supportive and eager to co–operatively find solutions. I know I am.

The evolution of federal, provincial and territorial relations in health care has maintained a distinction in federal, provincial and territorial roles in health care, which is consistent with the Constitution's definition of jurisdiction. This is clearly stated in the preamble of the Canada Health Act:

> that it is not the intention of the Government of Canada that any of the powers, rights, privileges or authorities vested in Canada or the Provinces under the provisions of The Constitution Act, 1867 (formerly the British North America Act, 1867), or any amendments thereto, or otherwise, be by reason of this Act abrogated or derogated from or in any way impaired;

Some would argue that to pass Bill C–284 would disrupt this historical distinction and balance and for this reason it cannot be supported by the federal government.

I encourage all hon. members to participate in discussions about this important concern in their communities in order to find a way to protect the emergency response workers whose job it is to protect us all. Few would argue the fact that the problem is serious. It is incumbent on all levels of government to hammer out a solution. The time is now.

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, while I wholeheartedly endorse the spirit of Bill C–284, a private member's initiative moved by my colleague, the hon. member for Winnipeg Transcona, which I had the privilege of seconding, I cannot see where we can support his idea to put it through the Canada Health Act.

Perhaps what we have to do today is not talk about what we cannot do. I have to agree with the position taken by the parliamentary secretary. She very eloquently put forward the reasons we cannot put it through the Canada Health Act, as was proposed by the member for Winnipeg Transcona; rather, we should find a mechanism, a way to accomplish our goal.

Since I was elected in 1988, firefighters from Hamilton and across this great country have been lobbying legislators to set up a contagious disease protocol. They stress, and all of us who have heard their lobby agree, that it should be of national importance, which it is; that it must be co–ordinated nationally, and we agree; that we should establish national standards and conditions, which can happen. We need a way to administer the protocol that is being proposed.

The international association of firefighters has been meeting with provincial and federal representatives since June. They have had quite a bit to say about this. There have been some resolutions. Progress is being made. Maybe the amendments being put forward by the hon. member for Winnipeg Transcona are a worthwhile public health objective and need to be examined.

• (1150)

The purpose of Bill C–284 is to incite the provinces to ensure that the health care insurance plan of a province provides for the obligation for hospitals to disclose to emergency response employees who provide emergency medical or rescue services to a patient the name and nature of an infectious or contagious disease the patient might have transmitted to them.

As I said at the outset, maybe we have to look at what we can do. What we can do is search out a central organization that would work with the hospitals to create that information–sharing proposal. I wonder if the hon. member for Winnipeg Transcona has considered approaching the Canadian Centre for Occupational Health and Safety. That particular centre, which is located in my riding of Hamilton West, receives a government subsidy, although it has been cut back. To its credit, it has been sharing information with the private sector and actually selling a product to employees and companies, both here in Canada and in the United States, to obtain the money it needs.

I wonder if the hon. member for Winnipeg Transcona has approached the Canadian Centre for Occupational Health and Safety, which has created a database of infectious diseases, of products different companies across the nation use in their workplaces, et cetera. For example, the Canadian Centre for Occupational Health and Safety is there for the major corporations in product identification. It is also there for an individual employee, someone who may be working on the shop floor in Winnipeg when a drum spills over and some glop pours out. The employee can see that the barrel is marked XT–2000. He is not sure what XT–2000 is, so he calls the Canadian Centre for Occupational Health and Safety to find out what the product is and whether it will be harmful to his health.

I wonder if the hon. member for Winnipeg Transcona, in looking for a way to accomplish a very credible goal, has looked at the options. The parliamentary secretary to the Minister of Health made it quite clear today that it is not really in the domain of the federal government, but rather a central organization. This could address the opportunities the member spoke of, could satisfy the needs of the medical emergency personnel and rescue services people who are responding to the patient who might have an infectious or contagious disease.

Maybe we could use this opportunity to dovetail with organizations that by consequence are also today forming partnerships with the private sector. It is the private sector that understands that this database is beneficial. If the private sector finds that it is worth while, then it can share its information with the Canadian Centre for Occupational Health and Safety, which can also share its information with hospitals provincially.

Let us germinate the seed today. This is an option the hon. member for Winnipeg Transcona can look at. Having seconded the bill, I would be more than happy to sit down with him and get together with officials in Hamilton at the CCOHS to try to

accomplish the very worthwhile goal this member and other members of the House have been trying to achieve since I was elected in 1988 and even before that time.

[*Translation*]

The Acting Speaker (Mr. Kilger): Since there are no more hon. members left to speak and the motion has not been selected to be voted on, the time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the item is dropped from the Order Paper.

[*English*]

SUSPENSION OF SITTING

Mr. Boudria: Mr. Speaker, on a point of order, perhaps the Chair would suspend for about four minutes and then we could proceed to government orders.

The Acting Speaker (Mr. Kilger): The House has heard the intervention of the chief government whip. Is there unanimous consent to suspend the House until 12 o'clock?

Some hon. members: Agreed.

(The sitting of the House was suspended at 11.56 a.m.)

SITTING RESUMED

The House resumed at 12 p.m.

GOVERNMENT ORDERS

[*English*]

CONTROLLED DRUGS AND SUBSTANCES ACT

The House proceeded to the consideration of Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, as reported (with amendments) from the committee.

Mr. Grant Hill (Macleod, Ref.) moved:

That Bill C–7, in clause 60, be amended by replacing lines 13 to 15, on page 44, with the following:

"portion of an item, after the governor in council has consulted with those persons who will be directly affected by the amendment".

Mr. Boudria: Mr. Speaker, I rise on a point of order. I understand unanimous consent is being sought to debate the amendment, even though it was not moved previously. I indicate to the Chair that we do not have any objection to it. We concur,

with the understanding that we will immediately go to third reading after the amendment is disposed of.

Mr. Hill (Macleod): Mr. Speaker, we are seeking unanimous support and agree to third reading going ahead with the same support.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Hill (Macleod): Mr. Speaker, Bill C–7 has been a complex bill that has taken some time going through the House. There is some vast improvement in the bill by opening up choice in the health food industry.

However the power to make regulation is still flawed in relation to the bill. The particular clause we have zeroed in on is clause 60:

The governor in council may, by order, amend any of schedules I to VI by adding to them or deleting from them any item or portion of an item, where the governor in council deems the amendment to be necessary in the public interest.

I have a few words to say about that clause. I believe it is dictatorial, arbitrary and opaque. Other words that come to mind are words like behind closed doors. This ability should not rest in the hands of a few. The particular amendment suggested will address a significant flaw.

One of my colleagues will speak at length on the issue a little later.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I rise to speak to the third party amendment to clause 60 of Bill C–7.

I agree with the hon. member, the bill is a complex and at times controversial bill. All parties were eventually unanimous in the substantive changes and amendments to the bill that improve the bill a great deal.

However I speak to the specific amendment of the hon. member to clause 60 that would read:

"portion of an item, after the governor in council has consulted with those persons who will be directly affected by the amendment".

The purpose of the amendment is to get the governor in council to consult with those who would be directly affected by a change in schedule made by the governor in council.

There is already in place a democratic process within the machinery of government that answers the particular concern the hon. member for Macleod brought forward. Government is required to consult with those who will be affected by the proposal and the public at large before making any changes.

• (1205)

The only exception to this requirement is where public safety is concerned and where on an urgent and emergency basis one

needs to make a change to the schedule within 24 hours. Even then there is a process wherein an emergency scheduling provision in the interests of safety of the public would allow it to happen.

Turning to the broader process the member is speaking about, the process provides for the machinery of government. Government is required to prepublish for a minimum period of 30 days in the *Canada Gazette*, part I, any proposal to change scheduling. The prepublication period may vary, depending on the nature of the proposal.

For example, if the proposal was to have international implications and would therefore have impact on GATT, there is an agreement in GATT that there would be a minimum of 75 days of prepublication to allow other countries to respond. Not only would interested parties respond if this were done, but they would respond at a national level.

Any citizen at all could provide comments or suggestions about the content of the proposal and about their concerns on the proposal. The government would then be obliged to report to the governor in council on those consultations, the feedback or input from parties directly affected, from concerned citizens or from the public at large. It would also have to report on the proposed remedies to be brought forth to address concerns. If this amendment represents a major shift in the original proposal, and if the concerned parties that have had input want another shift, there is a requirement to prepublish once again to discuss the new shift.

As all the bells, whistles and hoops have been jumped through in the process already, I fail to see what the hon. member's amendment would do to improve the process in any way, shape or form. It is already public. It is already open to disclosure. If disclosure requires change there is a requirement for further disclosure and for a further period of 30 days to discuss it. As I said before, internationally there is a requirement to prepublish for 75 days.

There is a fail safe mechanism already there to answer the hon. member's concerns about the issue.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to rise today to speak to the amendment to clause 60 of Bill C–7. It states that the clause should be amended by replacing lines 13 to 15 on page 44 with the following:

> "portion of an item, after the governor in council has consulted with those persons who will be directly affected by the amendment".

The parliamentary secretary responded to the amendment by asking why we need it. We already have the proper bells and whistles in place to deal with the public consultation process.

The parliamentary secretary to the health minister is correct. The amendment will put in place the requirement for public discussion and public consultation on changes to the bill.

In many pieces of legislation the Liberals have succeeded in taking more and more power from the people by putting in place the ability to make changes to legislation through the governor in council. This is one such move on the part of the government. The most important example in Bill C–68, the gun control legislation, gives incredible power to the governor in council. Bill C–61 deals with several agricultural acts and gives the minister and the bureaucrats the power to impose fines of up to $15,000 with the onus on the people fined to prove their innocence. That is one negative point about the legislation. Another is the control given through the governor in council without debate happening in the House. That is not democratic.

• (1210)

Unfortunately the anti–democratic move in the bill that gives more power and ability to make more decisions through governor in council is not unusual. The government has shown in many ways that it does not want to make things more democratic in the House. We have seen what has happened to members who dared to vote against their party line or against the government on bills such as the gun control bill, Bill C–41. I could name others. These members have been punished harshly for voting differently than the party position. They have been thrown off committees and the Prime Minister publicly threatened to refuse to sign their nomination papers. What kind of a democracy is that?

The amendment will at least ensure a small amount of consultation. Liberal consultation is different from the Reform's version of consultation. Reform believes that when we go to the people to ask for consultations we really want to hear what they have to say and to act on it. The Liberals have shown that is not what they see as consultation. For example, in the gun control bill the justice minister's idea of consultation was to have meetings to which people attended by invitation only. Other interested people were not welcome. That was complete and utter nonsense. The amendment will in a small way give a bit of the power back to the people by requiring consultation.

I will refer to a couple of other amendments but first I will show that this amendment has in a small way dealt with the concerns of some of my constituents. I have found that Bill C–7 and the changes to the legislation are very important to people in my constituency. Many people have come to me in public meetings asking questions about specific clauses of the legislation, and this is one of them. People have written letters to me that refer to specific clauses of the legislation.

I will read a letter from one of my constituents. It is a form letter but personal comments are included with it. It represents the concerns of a wide number of people, often people who want access to herbs, spices or other traditional medicines. They do not want the pharmaceutical companies or the government to be

able to limit access to these products in some way. It is very important to them.

The letter states:

> I'm writing to request that Bill C–7 be withdrawn.

That is what should have happened with the legislation. It should have been withdrawn or at least large parts of it should have been withdrawn. It is an omnibus bill that deals with many parts of the act. It is so broad or wide ranging that I wonder how the House of Commons can be asked to vote on the bill. It would be far more useful to have more specific legislation dealing with similar concerns.

Not all parts of the legislation should be thrown out. There are many good parts. However, because it is an omnibus bill and deals with a wide range of issues, parts of it should certainly be thrown out. The letter refers to the parts this constituent feels should be thrown out. A good summary of the legislation is given:

> Bill C–7, the Controlled Substances Act, combines the Narcotic Control Act with the portions of the Food and Drugs Act. Combining criminal law with regulatory health is inappropriate and puts my right to buy natural health products in serious jeopardy.
>
> Bill C–7 is a Criminal Code framework which would implicate many common herbal remedies and natural supplements because of their "stimulant" or "relaxant" properties. I believe that public safety can be ensured without Criminal Code restrictions on food supplements—

• (1215)

Mr. Szabo: Mr. Speaker, I rise on a point of order. My understanding of the rules of this place is that a speaker must speak to the subject matter before the House. We are now dealing at report stage with a specific amendment. The member is speaking about the whole bill.

The Acting Speaker (Mr. Kilger): With the greatest of respect, that is a matter of debate and not a point of order.

Mr. Benoit: Mr. Speaker, I am surprised by the continual interruptions on the part of members opposite when we try to make a point on behalf of our constituents.

It was important enough for my constituents to write this letter to me. The member does not want to let me rise in the House to read a letter which shows how this amendment has at least in some small way dealt with this concern. It is anti–democratic—and one more thing, the Liberal way. It is not what we expect in the House. I become upset when I have this type of an interruption.

The letter goes on to say:

> Further, I object that the control of any bioactive components or synthetic analogues of natural herbs by Bill C–7 will replace criminal sanctions to the herbs themselves.
>
> Health Canada should not be allowed to seize, remove or illegalize safe products from the shelves of distributors or hold them at the border without clear and convincing evidence of a lack of safety or misbranding. Health Canada should bear the burden of proof.
>
> I believe that natural herbs and health supplements do not belong in the Criminal Code. These products should be considered as dietary supplements and regulated as such. Natural substances should not be considered as drugs.
>
> I expect that you will represent my interests and oppose Bill C–7.

We will of course oppose Bill C–7. If this amendment does pass, and I would be surprised if it did not, all it does is put in place a consultation process. There is nothing guaranteeing it will be a valid consultation process but it is certainly a move forward. The onus will be on the government to show that it has consulted.

If we as an opposition party ask the government to show us it has consulted, it will be forced to at least demonstrate that it has had some consultation with all interested parties.

Other things have happened with this bill; other amendments and really the deletion of one clause I think has been extremely important. I credit my colleague, the member for Macleod, for successfully having clause 3(1) removed. It is certainly an important change to this legislation.

• (1220)

Clause 3(1):

> For purposes of this act a substance included in schedules I, II or III shall be deemed to include any substance;
>
> (a) that is produced, processed or provided by a person who intends that it be introduced into the body of another person for the purpose of producing a stimulant, depressant or hallucinogenic effect substantially similar to or greater than that of a substance included in schedule I, II or III, and that, if so introduced, would produce such a substantially similar or greater effect; or
>
> (b) that is represented or held out to produce, if introduced into a human body, a stimulant, depressant or hallucinogenic effect substantially similar to or greater than that of a substance included in schedule I, II or III.

Again I congratulate my colleague for successfully having that clause thrown out. That is a substantial change to this bill and it will help. Unfortunately there are still so many concerns—

The Acting Speaker (Mr. Kilger): I regret the member's time has elapsed at report stage.

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: No.

Some hon. members: On division.

(Motion negatived.)

Hon. David Dingwall (for the Minister of Health, Lib.) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Acting Speaker (Mr. Kilger): When shall the bill be read the third time? By unanimous consent now?

Some hon. members: Agreed.

Mr. Dingwall (for the Minister of Health) moved that the bill be read the third time and passed.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I rise to speak in support of Bill C–7.

The revisions to the bill, the changes made since it passed second reading in the House, combine two quite different approaches to the control of drugs. The approaches are different but they are actually complementary.

The first enshrines an attitude of tolerance, compassion and concern for the drug addicted person. The government believes that someone convicted of a drug offence, a user who shows genuine desire to recover from his or her addiction, deserves the chance and opportunity to rebuild and renew their lives on a healthy, law–abiding basis.

This component speaks therefore of rehabilitation and speaks to the health aspect of drug use.

• (1225)

The second approach is to reinforce our longstanding condemnation of violent behaviour or any drug dealing that harms our youth and other vulnerable citizens.

The government believes drug offences and the negative social impact of drug offences escalate directly in proportion to the age of the person, which means the younger the person, the greater the social and physical harm that occurs as a result of the use of drugs.

These approaches to the control of drugs reflect the spirit of the red book "Creating Opportunity". A principal objective of this book is to strengthen Canadian society by protecting individuals from crime and violence on the streets and in the playgrounds.

Bill C–7 works to achieve this end. It clearly identifies a need for extra protection against crimes around schools where young people are involved. However, it goes further in creating opportunity. It creates opportunity for offenders to get treatment. It creates opportunity for enforcement to be more effective. It creates opportunity for the justice system to deal more even handedly with the various substances and offences that are the subject of the bill.

Bill C–7 is more than a housekeeping bill. It achieves a balance between the need for compassionate health and social components of drug use and the need to punish and deal with the criminal and violent aspects of drug use.

True to this purpose, we have brought the Narcotic Control Act and parts of the Food and Drugs Act together to deal with controlled substances and narcotic preparations. It modernizes procedure to a certain extent. It expands control over a wider range of substances, but it is more comprehensive than that.

In the case of one substance that has caused major concern for policy makers and the public over many years, it incorporates a revised and more current understanding of how Canadians want to deal with marijuana. Cannabis and its derivatives from now on will have a distinct schedule in the bill, schedule I(i). Cannabis has been set apart from other hard drugs. It is being treated separately.

As we will see from this amended bill, government has taken very seriously the concerns expressed by witnesses of committee hearings and also by members of the House who have come together to tell us what they think of the bill. I am therefore pleased to say changes and measures have been instituted in order to reflect a more Liberal policy with regard to harm reduction, rehabilitation and the societal aspects of drug use.

Hon. members know the consultative process is inherent and very important in the parliamentary committee system. Committees collect the views of people on the street. One of the strengths of the process is that it brings forward a range of opinions and perspectives not necessarily obvious to those who prepare the original drafts of legislation. On this note I congratulate all members of the subcommittee from all parties and thank all witnesses who provided testimony on this legislation.

When we start talking about illicit substances such as marijuana and cocaine people want to broaden the horizons. Many of the witnesses who came to the subcommittee on health were not really addressing Bill C–7 specifically. They wanted to put broader issues on the agenda such as a more socially responsible approach to dealing with cannabis. It is argued there may be times when people are guilty of simple possession by aberration. They have been to a party, accepted a gift and have been caught. In such a circumstance the criminal mark should not be on record for the rest of their lives.

It cannot be denied that a large number of Canadians are at least tolerant of soft drug use. They have heard a former Prime Minister and the President of the United States admit to experimenting with marijuana. They see courts routinely granting

absolute or conditional discharges for simple possession charges while imposing fines for simple traffic violations.

Some people in the subcommittee were even saying we should decriminalize marijuana. However, by international law we cannot decriminalize it. We have to consider it a criminal offence but we can deal with the consequences associated with marijuana. That is one of the changes that has come through in this newly amended bill.

Specifically for possession of marijuana, 30 grams or less, we have reduced the seriousness of the offence. The negative impact on someone charged with this offence will be changed. No fingerprints or photographs will be taken by police officers. No traceable record will appear in national criminal databases. The law has been modified.

• (1230)

This does not mean that the penalties have been reduced. They have not. The penalty for possession of 30 grams or less of cannabis continues to be a $1,000 fine or six months or both. It is the ancillary impacts that will change. A conviction on this charge will not curb one's ability to travel internationally, for instance. It will not interfere with getting a job.

Another concern raised in subcommittee was to put something in the bill to ask the courts to move toward rehabilitation and treatment instead of automatically treating all users as hardened criminals. Therefore the introduction of section 11, which deals with sentencing, addresses this concern. Judges are encouraged to order rehabilitation and treatment in appropriate circumstances.

This said, it was not the government's intention that the bill would alter or review existing drug policy. It was meant to bring aspects of administration up to date from existing legislation that dates back to the 1960s and it gives effect to Canada's commitments on the various international agreements dealing with narcotics and psychotropic substances.

There is a change in penalties for trafficking in three kilograms of cannabis or less. Here the maximum penalty is lowered from 14 years down to 5 years less a day. The reason for this is not because the gravity of the offence has been diminished. In fact the subcommittee wanted to deal with trafficking as harshly. However, the lesser sentence achieves another goal: it leads to a streamlining of the judicial process. It hastens cases through the courts by eliminating requirements for preliminary hearings and trials by jury. It is not expected to change actual sentencing patterns. Even though the courts have been able to go to 14 years, they have not really been giving sentences anywhere near that length.

From now on drug charges will represent the true offences. Until now, when trafficking has been the issue prosecutors would often reduce it to a possession charge rather than proceed through a full pre–trial and trial by jury. Now prosecutors will be more likely to lay the charges they should have been laying. In fact there is no intention to give any signal that the penalties that are currently being given for the offence are not appropriate. This is not getting soft on traffickers. Streamlining the prosecution of these offences would be a net gain for the criminal justice process but would not mean an actual reduction in sentences given current practice.

I alluded to the approach this bill takes to discouraging violence and any drug dealings involving youth. The approach is simply the following. Offences under Bill C–7 have penalties attached to them, including imprisonment. Judges have discretion in sentencing and may choose not to impose a prison sentence in any particular case. However, if an offence is accompanied by violence or the threat of violence, or if it takes place in or near the grounds of a school, or if it involves dealing with someone under the age of 18, the court is to consider any of these circumstances an aggravating factor. If it decides in such a case not to impose a prison sentence, then the bill requires that the court give reasons for such a decision.

There are very substantive changes between the current Bill C–7 we are discussing and its original version. I have mentioned the instructions to the court to consider rehabilitation and treatment at sentencing and the reduction in the impact of a conviction for simple possession of cannabis. The following is a representative sample of a dozen or more other changes to the bill.

The previous subsection 3(1), which dealt with controlling unlisted substances that have an effect similar to scheduled drugs, has been completely removed. It has been deleted. It had been objected that the conduct subject to criminal sanction in this subsection had not been specified enough and that herbs or natural extracts might be captured. Removing this subsection should remove all doubts on that score to those who sell herbs and have been concerned about this. It is no longer going to affect an individual even if they thought it might have. Now they need not worry on that count.

Subsection 30(1) has been amended to ensure that inspectors have reasonable grounds to believe that a place is used for an illicit purpose mentioned in the bill before entering the place.

Paragraph 30(1)(c) is amended to exclude the possibility that inspectors can examine a person's medical record and therefore infringe on the confidentiality between physician and patient.

• (1235)

Paragraph 54(1)(h) is amended to eliminate any risk that regulations made under the act could apply to medical practitioners or other professionals who are not targeted. That was a concern from those professionals who under the act were licensed to give prescription drugs. However, the definition of

trafficking has been broadened to include the sale by a licensed practitioner of a prescription to obtain drugs.

Every one of the concerns raised in subcommittee has been carefully examined in the reconstruction of this bill. This is not to say that every concern that was expressed has led to an amendment. Some were felt to be without foundation, such as the fear that the bill would threaten the viability of the existing needle exchange program. It was decided after examination that there was no such threat and there needed to be no amendment.

Other observations or criticisms will be more properly addressed in a general drug policy review rather than in Bill C–7. In fact that was a recommendation from the committee.

It has been suggested by some that this is not a health bill. Many of the issues that have come up deal with justice and enforcement. It should be made abundantly clear that controlled substances are not all bad substances. Many of them indeed are very good when used as prescribed. They are important to the health of the nation. They are major tools in the medical kit. Drugs and drug abuse are basically social and health problems. They find their way, however, into the criminal justice system not because they naturally and necessarily belong there, but because we have yet to devise a better method of control.

Prohibition has had very limited success and very high cost. Many believe that programs to increase awareness, education and treatment would be more successful for less money and less violence in drug enforcement. In fact the main thrust of Bill C–7 is that it allows for these controlled substances to be used for medical and scientific purposes. We need codeine, morphine and similar drugs to treat patients. Unfortunately they are also subject to abuse. Therefore, we need to build into the law how we deal with their diversion to non–medical purposes and their abuse potential. That is where most of the justice issues come into play in this bill.

The bill facilitates the placing of safeguards at all levels of production and distribution of high–risk drugs and allows them to be used as prescription drugs. This reduces the risk that drugs produced for legitimate purposes would be diverted into the illegal street market.

Canadians will have access as before to physicians, dentists, pharmacists and other licensed health care providers for whatever drug they need to treat their illnesses. They need not be concerned about that. Bill C–7 is not a catch–all for pharmaceutical preparations. It does not affect antibiotics, for example. It names clearly the drugs it would control, which are generally those used to treat pain and many psychotrophic or mood–modifying drugs.

By including the concepts of treatment and rehabilitation, this bill also acknowledges the important health dimensions of drug abuse. It begins to rebalance that emphasis on substance over user and coercion over persuasion. It is not a new policy and it is not even a big change, but it is an important shift in perspective. It opens the way to alternate approaches and choices in addressing a disease that afflicts hundreds of thousands of Canadians and the social well–being of Canada.

Bill C–7 is meant to control dangerous substances. We want to control these substances because in the wrong hands and used in the wrong way they can cause great harm to Canadians and to the social fabric of this country.

I say this even though I recognize that drug use is not a major concern for Canadians in general. In fact an Environics poll that focused on justice and crime issues last year found that only 2 per cent of respondents said that illicit drug use personally troubled them far more than other crimes. This was far behind phenomena such as domestic violence, youth gangs, breaking and entering and crimes against children.

There is another reason to control these drugs, and I believe it is a far more important reason. Many substances we are dealing with here have strong medical components. This bill aims to make them available to health professionals and their patients for legitimate medical purposes. These substances, as I said before, are an essential part of our armaments against human suffering. We need painkillers, tranquillizers and similar drugs to treat patients suffering from pain, anxiety, stress, depression and other illnesses that in fact are born of our age of worry and anxiety. These are substances for medical use.

• (1240)

Because Bill C–7 sharpens the tools we use to control the production and distribution of high–risk preparations that can be made available safely for prescription drugs does not mean that we are condemning those drugs. Patients will continue to have access to prescriptions through their doctors and pharmacists. Patients will always have what they need to treat illness and the medical records of patients will not be violated.

Health Canada's goals and priorities have repeatedly found support from the Canadian public, who rate the performance of health care in the current system at the very top of government activities. This is from Ekos Research.

Side by side with medicare on Health Canada's priority list is the protection against risks to Canadians' health. Therefore, illegally obtained and unsafe drugs are among those risks. Drug dependence is not only a criminal issue, it is very much a health and social issue. With some of these amendments we have tried to bring a positive approach to treatment programs for those who are afflicted by drug addictions. We support the help and appropriate treatment for those who want to get back their health and resume a normal life. We will continue to authorize metha-

done treatment for those who have a drug dependence. Methadone, as members will know, is a controlled substance that assists many opiate users to re–establish a constructive life. I want to assure the House that is not changing.

The department is also responsible for the national program to reduce the spread of HIV and AIDS. We will not be affecting the needle exchange programs, which in many communities have had massive positive results and have been so successful in curbing the spread of HIV among intravenous drug users. Medical devices such as needles were deliberately excluded from criminal sanctions in Bill C–7. So this effective public health program in fact will continue its good work.

The bill protects the rational use of some controlled substances as medicines while acting against the illicit distribution of these same substances. It recognizes that controlled drugs are indispensable and that their availability should not be restricted or compromised. It promotes the judicious use of medications by indicating ways in which controlled drugs can be handled, distributed and used. These substances are included in the legislation, as I said, to protect the health and safety of the public.

For example, Bill C–7 makes it possible for cancer patients and those who are terminally ill to obtain pain relief from prescribed medications such as morphine. In a hospital setting or for out–patients under strict medical supervision, even heroin is available for the treatment of pain and suffering. This legislation ensures that cocaine can be safely used in examination and in surgical procedures. Other medications aimed at treating less severe but still incapacitating conditions such as migraines are contained in the schedule of substances we are dealing with here. These will continue to be made accessible under this bill.

Some of these drugs are also used on the street and therefore are subject to trafficking. While these substances all have the opportunity to create good and help patients who are ill, they have a strong potential for abuse. It is not surprising that the enforcement aspect of Bill C–7 has therefore attracted attention. However, we must not forget that access to these substances must be preserved for the benefit of all those who are afflicted, which may include a majority of Canadians at some time in their lives. These substances are powerful. They have the power to do good but also the power to do harm. If a drug is prescribed by a physician and is used more than is prescribed by a physician, the addictive properties of these drugs could be forgotten. We do not want that harm to occur to patients.

As legislators, our task is to find a balance that will maximize good and minimize harm. I believe we have struck the appropriate balance in this legislation. I urge hon. members of the House to support it, as I will.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, good old Bill C–7 has been with us since my arrival in the House and I have followed it with fascination. It was of course a Tory bill introduced before this Parliament sat and was opposed then by my Liberal colleagues. I watched as it became a Liberal bill and was embraced with some degree of enthusiasm.

• (1245)

I invite people listening today to reflect on the parliamentary secretary's words during her original speech on this bill. I am sure they will find that the parliamentary secretary wholeheartedly supported Bill C–7 in its unmodified form. To be kind, that wholehearted support was somewhat enthusiastic.

This bill has gone through such a dramatic change in the committee process. That is what I am going to spend my time on today. Can the public influence a bill? The general perception in Canada is that the public cannot influence a bill. The fact is that the public can influence a bill, not only its tone but its actual final outcome.

What actually happened during the process of modifying this bill? I found, as did many people in Canada, that clause 3(1) and (2) could have significant potential harm to the health food industry. This clause stated that substances could be deemed to have a stimulant, depressant or hallucinogenic effect. It was plunked into the bill. Individuals across the country said it was too broad, too vague and not specific enough.

I received a host of requests for information. As an opposition health critic people said to me: "This seems to us to be a point where an opposition critic should step up to the plate". What did we do? We formed a very specific newsletter, which I have with me today. It states: "C–7 threatens choice in health care". It also mentioned areas of this bill that could have a profound effect on health care.

The newsletters went out along with a request for petitions to health food stores and to individuals who wrote asking for more information. The outpouring of support for this position of choice in health care was profound. I wish I could touch that nerve in other areas. I wish I could touch the nerve of the health food industry in other areas.

People contacted the subcommittee on health. I am convinced the committee members could not believe the outpouring. People contacted the minister, their MPs and me. Did I have a big role in this? I was only able to provide a small vehicle for the outpouring of personal sentiment. I do not put myself as a great individual in this debate at all, but the focus of the input was fascinating to me. The whole issue was choice in health care. Those individuals said: "Deny us that choice and you are treading on our toes".

The result and specific part of the bill I found so offensive was the ability for legislators to deem substances such as stimulants,

depressants and hallucinogens to be stricken completely. There has not been a great deal of fanfare about that.

I want to tell the Canadian public that this was a huge victory for those who wanted to choose what they take. There are those who say that people could make mistakes in their lives and I agree with that. However, when should regulators be involved in someone's personal decision making? When there is proven harm, when there are potential side effects, and when there is fraud in claims, doses, source or contents. Otherwise the public tells the legislators to step aside. No one knows better than the individual how they feel and what works for them when it comes to things they take into their body.

• (1250)

There is a price for this freedom. The price for the freedom is to be informed. The public says: "Government stand aside; we have spoken". I say to those who would regulate and legislate in this area, no one can be better informed than the citizen who has a need which is not met by bureaucrats and legislators, driven by internal pain, anxiety or wants. They want to seek out time honoured remedies. They said loudly and clearly: "You will never usurp this right".

People find that interesting coming from a physician and surgeon, someone who occasionally is criticized for being too narrow in focus. I have seen individuals not helped by my profession. I have seen individuals seek alternative therapies. I have seen individuals beg for the ability to do that. I believe they have and need the right to do exactly that.

Why did we bring an amendment to this bill, a bill that frankly has dramatically improved over the way it first came to this House? We brought an amendment because there is still a regulatory mechanism, the power to make regulations which still gives the government the power it had in clause 3, to deem something to be included in the bill without broad public debate.

Is the mechanism of public consultation sufficient? In my view it is not. When something is put into the *Canada Gazette* for 30 days, it can be missed. Things have been missed in the past. There needs to be a greater flag. I would have preferred to have had those amendments come to the parliamentary committee studying health related issues. That would have been a better step. My basic premise is that legislators should at least be involved. It should not be an almost behind the doors process.

I will strongly state to anyone who will listen that the power to make regulations can be passed with virtually no public scrutiny. Powers delegated to the governor in council are broad, vague and border on dictatorial. Our subcommittee recommended that this be reviewed. I would like to hark back to the parliamentary secretary's comments when she said that the public scrutiny which is present today is just fine. Why would the government which controls this subcommittee agree to review if those powers are just fine? Those arguments are inconsistent.

I am also very sceptical of the committee recommendation. I think that recommendation is going to fall into a black hole. I am going to give an example of why I think that will happen.

The first duty in the health committee was to look at order in council appointments. I asked a question in the health committee that if we were going to review these order in council appointments, how many of them had been turned down in history. The answer was that members looked at me as if I were crazy. Surely the committee would not have the power to turn down an order in council appointment. I asked: "Why then are we striking a subcommittee on order in council appointments"?

My premise was that the committee should review appointments at the appointment stage rather than at the nomination stage. Sure enough we went through a whole host of witnesses and the recommendation of the subcommittee was that order in council appointments, if they were to be reviewed by the committee, should be done at the appointment stage. There would be no power taken away from the government. If everyone on the list were up to snuff, there would be a checkmark beside each name. It would be a good time to review. Then the government could choose which individuals it wanted from those.

• (1255)

I asked the following question in high school after a class: If you were asked to review something, would you want to have that review be meaningful? The kids nodded to me. We would think it was nonsense to do it any other way. Where has that recommendation that order in council appointments be referred to to the health committee gone? It has gone into a black hole somewhere, into government reorganization.

That indicates to me how cynical the government process sometimes can be. If a group of high school kids can see that it makes sense, it surely must make sense to the legislators. I will watch with profound interest the recommendation from the committee to review this power to make regulations. If it falls into the black hole as well, I will be greatly disappointed.

Bill C–7 has come a long way. If the power to make regulations were righted, I would support it. On the basis it is not righted, I will not support it.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it gives me great pleasure to speak on behalf of Bill C–7, an act respecting the control of certain drugs, their precursors and other substances, and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof.

This bill received first reading in February 1994 and passed second reading in April 1994. At that time it was referred to the House of Commons Standing Committee on Health which in turn struck an all–party subcommittee. I was appointed as the chair to study that bill, to receive witnesses from all parts of Canada representing major interest groups and to receive and consider submissions from major interest groups and Canadians from all walks of life. The committee received dozens of submissions and literally thousands of letters for its consideration.

As a consequence of our consultation and discussions, a number of questions and concerns were raised. The committee took the interventions very seriously and requested answers and explanations from officials. The bill is the responsibility of the Minister of Health but numerous aspects relating to enforcement and justice matters necessarily involve the solicitor general's office and the Ministry of Justice.

Officials from all of the ministries were very actively involved in the review of this bill after second reading and co–operated fully throughout the process. I want to give special thanks to them, particularly to Mr. Bruce Rowsell, director of dangerous drugs, health protection branch, Health Canada; Carol Langlois, project manager, bureau of dangerous drugs, health protection branch, Health Canada; Gérard Normand, counsel, national security group, Department of Justice; Mr. Paul Saint–Denis, senior counsel, criminal law policy section, Department of Justice; and Ron Dykeman, senior policy analyst, policing and law enforcement in the solicitor general's office.

The role of parliamentarians and their powers of influence as members of Parliament and members of standing committees of this House has changed dramatically in this Parliament. The subcommittee charged with the responsibility to study Bill C–7 demonstrated that the proposed legislation is subject to change. Indeed Bill C–7 has been changed in many important ways to address the legitimate concerns of Canadians.

As a result of our work, the committee has sought amendments on a number of critical elements of the bill. I am pleased to inform the House that the government through its relevant ministries has brought forward substantive—I emphasize substantive—amendments which fully satisfy the concerns raised by the committee. Some of the areas relate to the whole aspect of rehabilitation and treatment: the issues raised by practitioners, particularly by the Canadian Medical Association; the integrity of needle exchange programs; confidentiality and access to information; the scheduling and particularly the criteria for scheduling of products; the aspect of criminal records; the issue of fortified drug houses.

• (1300)

One of my colleagues from Edmonton came before the committee and made a plea on behalf of the law enforcement agencies of Edmonton to advise us of what is called fortified drug houses.

Very briefly, fortified drug houses are dwellings that have been altered substantially to ensure that enforcement agencies would not get ready access in the event it was determined there were illegal or illicit activities transpiring within that dwelling.

Initially the bill could not address that. Reasons were given but the committee did not accept them. Thanks to the intervention of our colleague and member for Edmonton West, this bill now provides the mechanism necessary for our law enforcement agencies to deal with the serious problem of fortified drug houses.

We also dealt with some complex matters concerning hybrid trafficking offences. I can tell members that the bill has changed significantly since second reading with regard to the amounts and the penalties.

As has been mentioned, we dealt with the deeming provisions under section 3.1 which I will speak to more fully a little later. We also dealt with section 59, the administration procedure for adjudication, a very important section.

The work of the committee was quite extensive and broad on a number of fronts. I am pleased to inform the House that the bill, as amended, received the support of all parties.

Some 69 amendments were made to a bill that contains 56 pages, 94 clauses and a large number of schedules listing drugs and various other aspects. We believe we have returned to the House a better piece of legislation which effectively meets the intended objectives of Bill C–7.

The subcommittee actually went beyond its mandate to address Bill C–7. Not only did we discharge our responsibilities with regard to the bill as was directed by the Standing Committee on Health, but we also made a further report to the Standing Committee on Health putting forward certain recommendations flowing from the work we did in considering the provisions of Bill C–7.

In brief, I would like to outline what those additional recommendations were. The first recommendation was that an expert task force be formed to devise rational criteria for schedules 1 to 7 of the control of drugs and substances act.

We would like to see this task force include the assistance and the consultation from organizations such as the Addiction Research Foundation, the Canadian Centre for Substance Abuse, the Canadian Pharmaceutical Association, the Canadian Medical Association and the Canadian Foundation on Drug Policy, not to mention the Canadian Medical Association, particularly, and any other relevant bodies. We would like them

to form a special task force with a mandate to establish precise criteria for the scheduling of substances under this act.

As a number of speakers will mention in speaking to the bill today, it deals with a large number of drugs. As was dealt with in the report stage motion with regard to governor in council changes to regulations, it is quite an onerous task to deal with the changes that would have to occur to scheduling if we have to go through committee every time a certain drug arises.

The second recommendation has to do with Canada's drug policy. I am going to talk quite a bit about drug policy because I believe Canadians should understand more fully the intent and the rationale for Bill C–7 and how it relates to Canada's drug policy, indeed the Canadian drug strategy.

The subcommittee on Bill C–7 recommends that the House of Commons Standing Committee on Health undertake a comprehensive review of the existing drug policy. I am pleased to report that the Minister of Health has already informally given her concurrence that a comprehensive review of our drug policy should be conducted.

• (1305)

The final recommendation has to do with the motion that was moved at report stage by the member for Macleod. It deals with the scrutiny of regulations and orders made by governor in council. This motion, in fact an amendment, was dealt with at subcommittee. Based on the conversations we had with all members and the debate that was held, it was clear that the question being raised was not generally relevant only to Bill C–7 but rather a matter of principle. A number of the previous speakers have referred to that principle: what can this place do and what authorities can it second in terms of amendments to legislation.

The Parliamentary Secretary to the Minister of Health outlined very clearly that there is a mechanism in place for the exposure of changes proposed, whether they be regulations or other changes. More important, those changes are not substantive changes to the legislation and to the intent of the legislation. It is more important that those governor in council authorities be available so that changes can be made which are consequential to other changes that occur and that things can happen quickly.

I will comment a little later, particularly with regard to section 3.1, the deeming provision, on new drugs and the reason why we have to pursue avenues to be able to address new drugs as they come on line. It has to do with technology and it has to do with the sophistication of those that produce illicit drugs.

We have asked the Standing Committee on Health to direct a question to the government House leader whether the House of Commons standing committees could have the authority to approve or at least review all relevant regulations or orders made by the governor in council prior to coming in force. I believe that recommendation satisfies the member for Macleod. He withdrew the amendment at subcommittee and supported the principle of assessing whether or not governor in council orders are being abused.

It is a valid question and that is why the committee agreed with the member for Macleod to pose the question to the government House leader, so that all members of Parliament could more fully understand the mechanics and the rationale for governor in council orders.

We believe all committees should make appropriate recommendations consequential to the work they have done in studying legislation on what they have heard from the people of Canada. I am very proud that this committee took it upon itself to produce a supplementary report to the bill, which I feel is going to add substantially to the role of parliamentarians.

I wish to move more specifically to the bill. The parliamentary secretary very eloquently outlined a number of the technical aspects of the bill. I want to go back to the genesis because I know that for many members on all sides of the House their first exposure to this bill was the old Bill C–85 from the former government. It is a draconian Mulroney bill.

It is time for us to move away from the partisan apprehension about certain legislation because there are important reasons for Bill C–7 to be before this place and to be passed by this House.

Bill C–7 forms part of the national drug strategy. It is a multi–year program set up to combat the illicit drug trade within our boundaries. The bill consolidates and supplements the provisions found in the Narcotic Control Act and Parts III and IV of the Food and Drugs Act.

The supplementary provisions are necessary for a very important reason and that is because Canada must pass certain changes to its drug legislation so that we can be in conformity with certain international obligations to which we are a party.

Those treaties are three. The first is the Single Convention on Narcotic Drugs of 1961. That treaty dealt with things such as the cultivation of the coca bush.

• (1310)

The second treaty was the Convention on Psychotropic Substances, dated 1971. Among other things, it dealt with the expanded control over amphetamines.

Finally, the so–called Vienna convention is the United Nations Convention against Illicit Traffic in Narcotic Drugs and

Psychotropic Substances, dated 1988. Among other things, it deals with the import and export control over precursors.

Why is Bill C–7 so important? That is a question which members of Parliament must understand for their own edification because of the concerns which have been raised at second reading and throughout the genesis of the bill.

Because Bill C–7 provides for the scheduling of drugs which are controlled or restricted, it attracted substantial attention from groups and individuals who wanted to address Canada's drug policy with a view to taking a softer stance on drug possession and use and to treat it as a health problem rather than a criminal problem. This was the argument.

Our drug policy is reflected in Canada's drug strategy. Seventy per cent of our spending is directed at rehabilitation and treatment alternatives. Bill C–7 is part of Canada's drug strategy and addresses the enforcement aspects of our drug policy.

Many of the witnesses and interveners were critical of Bill C–7 because they wanted the opportunity to fully debate the overall drug policy, of which Bill C–7 is simply a part. Their interests were beyond the purview of our subcommittee but their concerns were noted in our recommendations which I referred to earlier.

The most important rationale for Bill C–7 was to bring our drug laws into compliance with the international conventions to which we are a party. It is this aspect on which I would like to elaborate.

Canada has been in violation of its treaty obligations for many years. As such, it has increasingly come under criticism by its treaty partners and the International Narcotics Control Board. This is the first time that a jurisdictional body has been mentioned, so I would like to highlight the International Narcotics Control Board.

Over the past 80 years a worldwide system to control drugs subject to abuse has developed gradually through adoption of a series of international treaties. The key multilateral conventions concurrently in effect are, as I mentioned: the 1961 Single Convention on Narcotic Drugs which was modified by the 1972 protocol; the 1971 Convention on Psychotropic Substances; and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, which was adopted in 1988. Each of these treaties has built on regulations already in place and has advanced international law.

From the beginning the principal objective of drug control treaties has been to restrict the use of these drugs to medical and scientific purposes.

The International Narcotics Control Board, known as the INCB, is an independent and quasi–judiciary body mandated to apply the United Nations conventions on drugs. It was created in 1968 by the 1961 Single Convention on Narcotic Drugs. Its predecessors were created by previous conventions on drugs, dating back to the League of Nations. The board is responsible for promoting the application of drug control treaties by government. These treaties set out its tasks, which are essentially of two types.

First, with respect to the legal manufacture, trade and sale of drugs, the board ensures that there are sufficient quantities available for medical and scientific purposes and that none are misdirected from legal sources to illegal trafficking. To that end, it administers a narcotics evaluation system and a system of voluntary evaluation of psychotropic substances and monitors international drug trading through a statistical reporting system. Moreover, it monitors the measures taken by governments to control chemical products that can be used in the illicit manufacture of drugs, assisting them in preventing their being channelled toward illicit trafficking.

• (1315)

The second area of the mandate is with respect to the illicit manufacture and trafficking of drugs. In this regard, the board detects weaknesses in national and international control systems and helps to improve the situation. As well, it is responsible for assessing what chemical products used for illicit drug manufacturing might be placed under international control.

Our failure to comply, particularly in the area of control of benzodiazepines, was clearly singled out in the 1994 report of the International Narcotics Control Board presented to the United Nations on February 27, 1995. I want to quote from this report because it clearly demonstrates to all members why it is so important that Bill C–7 is passed by this House.

Paragraph 89 states: "A few parties to the 1971 convention, including Canada, Luxembourg and New Zealand, do not yet control international trade in all benzodiazepines. This represents a violation of the treaty obligations under the 1971 convention. The board has been in communication with those countries for a number of years, but their response has thus far been insufficient. The board reiterates its request to those countries to begin controlling without further delay their imports and exports of all benzodiazipines listed in the 1971 convention."

The report further states in paragraph 180: "Although Canada ratified the 1971 convention in 1988 and the 1988 conventions in 1990, national legislation is not yet in conformity with some of the provisions of those conventions and the Canadian authorities have not been fully implementing those provisions. There are indications that Canada is a source of benzodiazepines entering the rest of North America."

Paragraph 182 states: "In Canada, organized gangs trafficking in metamphetimines, PCPs and lysergic acid diethlamide, known as LSD, are increasingly becoming involved in illicit trafficking in precursors and other chemicals."

The final reference comes in the appending news release issued in conjunction with the INCB report. It states: "The black market in the United States is another main target for diversion and smuggling of benzodiazepines. Canada, where imports and exports of these substances are not yet controlled, appears to be the main source of benzodiazepines diverted in the region. In one such case a broker company in the Bahamas established as a front by drug traffickers obtained from 1992 to 1994 large quantities of diazepam tablets from a Canadian origin to a local wholesaler. The company claimed that the tablets were to be exported to other countries in the Caribbean. In fact they were smuggled into the United States."

There are a number of other references. I think all members would understand clearly that Canada has been embarrassed in front of the United Nations, through the World Health Organization and through the International Narcotics Control Board because we have not met our obligations under the international treaties to which we are a party.

Once Bill C–7 is passed, it will bring Canada's laws up to date and in fact satisfy all the provisions of those treaties to which we are a party.

• (1320)

In March 1995 I had an opportunity, along with the Parliamentary Secretary to the Minister of Health, to meet with representatives of the INCB to discuss our deficiencies and review the progress of Bill C–7. I am pleased to advise that they were satisfied that Canada had finally developed a piece of legislation that was going to address those concerns. We are looking forward very much to advising our treaty partners that our laws are now in order with regard to those treaties. That is the most important reason for this piece of legislation.

Finally, I would like to make some brief comments about certain issues that attracted substantial attention throughout the subcommittee's work. The first issue, which I think has been on the minds of a number of members on all sides of this House, is our approach to illicit drugs. Many criticized Bill C–7 initially because they alleged that it reaffirms a criminalization and interdiction approach to illicit drugs instead of a public health approach.

As I mentioned, Bill C–7 forms only part of Canada's drug strategy, under which 70 per cent of our efforts are indeed directed at rehabilitation and treatment as alternatives. Bill C–7 also now includes, which it did not at second reading, a specific section addressing and promoting a rehabilitation and treatment approach to illicit drugs. Bill C–41, the omnibus sentencing bill, also makes reference and encouragement to the courts and provides that alternative to the court system to ensure that wherever possible and appropriate, rehabilitation and treatment are desirable.

Some also argue that a softer approach should be taken on illicit drugs because they cause fewer health problems than alcohol and tobacco, which were omitted from the bill. Alcohol and tobacco are no longer omitted from Bill C–7. If we are to be successful in taking a hard line on their use under our laws we cannot get soft on drugs. Health impacts are not the only consideration. Far too many lives have been ruined by drugs, which costs our system billions of dollars annually in health, social and justice programs. We will continue to work with our treaty partners in the World Health Organization, the UN and the INCB to fight the war on drugs.

An awful lot has been said today with regard to subclause 3(1), which has to do with a deeming provision. In simple terms it basically states that if a drug or a substance is the same as or similar to an illicit substance it would be deemed to be covered by the act. The member for Macleod and some other speakers tended to paint one picture. I would like to provide a different version of the realities having to do with subclause 3(1).

The subcommittee and members of Parliament were literally swamped with letters and petitions from the distributors and users of natural and herbal remedies, as was stated by the member for Macleod. Industry leaders were alarmed because the bill referred to substances that had a similar stimulant or depressant effect to listed substances but were not themselves listed.

All products sold to the public through natural and herbal remedy outlets have been approved for use in Canada under our existing laws and jurisdictional authorities. The effect of these substances we are talking about is so minuscule relative to the potency of the drugs covered by this bill that there was never any interest or intent to even mention herbal remedies and products such as camomile tea or ma huang. These are very mild stimulants or depressants, many of which are included in everyday cough syrup. There was never intent in the bill. In fact, there is a very important reason why the bill initially attempted to deal with unnamed or unknown substances.

• (1325)

For those who have a need and a desire to use natural and herbal remedies, I say that if they can be obtained legally before Bill C–7, they will still be obtainable after Bill C–7 passes. The bill does not affect those.

I do want to comment on the misinformation that was generated by certain parties with regard to subclause 3(1). We have received some 4,000 letters and petitions from people with regard to this. I saw the trade magazines, which stated and showed very clearly that if the bill passes stores will be closed and remedies will only be available from a doctor. They stated that these remedies will all be illegal and will never be available again. With 4,000 Canadians being driven to write to the

committee, and I do not know how many wrote to other members of Parliament, imagine the alarm that was raised because of this misinformation.

I wonder how much the industry had to do with trying to raise this concern simply for business reasons so that people would go out and stock up on these products. There was absolutely no basis for concern. I believe that kind of approach to political opportunism is totally inappropriate when we are dealing with the people of Canada on matters that are important to them.

Subclause 3(1) was intended to cover substances that were chemically very similar to listed substances and produced the same or similar effect but were not themselves listed. The rapid changes in the technology of drug production makes it necessary for us to respond quickly to new drugs. If new drugs are to be developed and they are chemically very close and not on the schedule, it will take a long time to get them on the schedule and covered by the legislation.

Governor in council orders allow at least a period of approximately 30 days to get something on a schedule. As the parliamentary secretary pointed out, if international implications or feedback or input had to be received from outside the country I believe it would be extended to 75 days. Those are the reasons we need this.

Although the provisions of subclause 3(1) would have been helpful, there was sufficient concern within the committee about the violation of a fundamental legal principle that requires that conduct that is subject to criminal sanction must be specified clearly in the act. This is the reason why subclause 3(1) had to be removed. Deeming a provision and saying it was the same or similar did not name a substance, and it was potentially going to cause a problem. The provision was dropped from the current bill, although I suspect it will have to be reconsidered should problems arise with new drugs arriving on the streets of Canada.

The commercial production of hemp was raised with the committee. Substantial lobbying was done to have Bill C–7 permit the commercial production of hemp. Given the time I have, I would simply indicate to those who are interested that this particular bill does not at present permit the commercial production of hemp. There is a window whereby if it were deemed appropriate a mechanism could be triggered. However, this process could take years. I would simply say with regard to the commercial production of hemp that it is a long way off, if indeed it is appropriate at all.

Finally, I want to comment on the subject of marijuana. Not surprisingly, a number of Canadians urged the committee to decriminalize marijuana. They argued that the penalties were too harsh and did not reflect the attitudes of most Canadians or the lenient practices of the courts or the police.

• (1330)

No evidence was presented to us on the attitudes of Canadians. Not dealing with the drug policy in our committee, none was asked for as well.

However, there is no disputing the courts were clogged. This bill deals with that by changing the process for simple summary convictions for simple or first time possession. There is fast tracking for dealing with those offences.

The bill, passed by the House at second reading, included a provision that simple possession of cannabis was a criminal offence. As such any proposal to decriminalize marijuana would have been ruled out of order.

The committee could not even have dealt with the question because it was a change in drug policy. This committee had no mandate to deal with drug policy.

The issue is one of drug policy. More important, under the provisions of the various international treaties to which Canada is a party marijuana possession must be a criminal offence. As such it is very unlikely Canada will consider such a change.

A recent article in the *Telegraph Journal* in New Brunswick reported: "For possession of small amounts of cannabis, the amended sentence is six months and a $1,000 fine instead of seven years and a $2,000 fine". That simply is not true. It is misinformation and may lead the reader to believe the bill proposes the law to be more lenient on simple possession.

Under the existing Narcotic Control Act the maximum penalty for simple possession of marijuana on first offence and by summary conviction is $1,000 and six months imprisonment. Under Bill C–7 the penalty is identical. We did not deal with drug policy.

Attitudes of many Canadians toward marijuana were developed many years ago when many failed to realize the technology of breeding plants has allowed producers to drastically increase the potency of marijuana by increasing its THC content, tetrahydrocannabinol.

Marijuana is about 15 times more potent today than it was 10 years ago. Marijuana today is as potent as cocaine was 10 years ago. Let there be no confusion, marijuana is a dangerous drug which can have serious health impacts. Its possession or use even in small amounts continues to constitute a criminal offence in Bill C–7 and in the laws of Canada.

I thank the members of the subcommittee for their due care and diligence in addressing Bill C–7. I believe we have made a

better piece of legislation and demonstrated once again that all members have the opportunity to significantly influence the development of effective legislation for Canada, which as we all know includes Quebec.

The Acting Speaker (Mr. Kilger): We will now proceed to the next stage of debate in which members will be entitled to a 20–minute maximum subject to 10 minutes of questions or comments.

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I am very pleased to rise in support of this bill. Like its predecessor, Bill C–85, this bill is intended to improve and modernize the drug abuse provisions currently contained in the Narcotic Control Act and the Food and Drugs Act.

I believe all of us here recognize the need for some reform in this area. Parts of the legislation are more than three decades old. It is obvious we cannot fight the drug problems of the 1990s with 30–year old legislation.

Some members have raised concerns about various aspects of the bill, particularly the health provisions which constitute the major part of the bill. Maybe those members are not aware that many of the concerns they have expressed have already been addressed by changes incorporated in Bill C–85 last year.

Although it is for the Minister of Health to respond to those concerns which have not yet been addressed, it is necessary to emphasize two points regarding the health provisions before I turn to the smaller but important law enforcement component of this bill.

This bill must not be looked at in isolation. It is not a stand alone piece of legislation. It is the last and most important in a series of pieces of legislation designed to support the Canada drug strategy.

• (1335)

This federal program is a 10 year, $480 million campaign launched back in 1987 to fight substance abuse and drug trafficking in Canada. As part of that strategy Bill C–7 is an important element of the government's overall campaign to curb substance abuse.

Some members have raised alarming images of innocent doctors and pharmacists unable to practise their professions, of violations of doctor–patient confidentiality and of the potential for law–abiding citizens to be prosecuted for the use of every day substances such as caffeine. Of course nothing could be further from the truth. I believe that even the members who mouth that kind of fear know they are engaging more in fear mongering than in fact dissemination.

The initial health regulations to be proposed under this new bill will be identical in effect to those which currently exist under the Narcotic Control Act and parts III and IV of the Food and Drugs Act. Further, all of these existing regulations were developed in close co–operation with the people they most affect: the doctors, the pharmacists and the veterinarians. We are not reinventing the wheel. We are simply building on a solid and proven foundation with the advice of the people most directly concerned.

The bill would eliminate ambiguity and broaden the scope of existing legislation so that governments and police services can respond effectively to the Canadian drug scene of the nineties. Undoubtedly new health regulations will eventually be promulgated but not before they have been developed in full consultation with the people most directly involved. That can hardly be described as acting in haste or with lack of forethought. This is simply acting with common sense.

The same common sense has been applied to the police enforcement aspect of the bill. Any police officer on the street will tell us that drug traffickers today use increasingly sophisticated methods to evade police efforts aimed at halting their deadly trade. To keep up with the traffickers the police need equally sophisticated investigative techniques such as reverse sting or sell–bust operations.

I hope my friend from Edmonton is getting all of this.

Mr. Hanrahan: You are going slow enough, Roger.

Mr. Simmons: Good to see you. We meet here every day at the same time.

The Acting Speaker (Mr. Kilger): I certainly do not want to diminish the friendliness that arises in the Chamber through debate but I urge members to please direct their interventions through the Chair.

Mr. Simmons: I thought I had done so, Mr. Speaker. If I did not, I apologize. I believe I was referring to my friend from Edmonton in the third person.

During this type of sting operation it is frequently necessary for the police to sell small quantities of drugs to traffickers to establish credibility and further investigations. These techniques already exist but at present have no specific legislative basis and consequently are open to legal challenge. The bill would ensure the police have an appropriate statutory basis on which to mount operations against drug traffickers in a manner consistent with the Canadian Charter of Rights and Freedoms.

I know an hon. member has argued such authority already exists for all police services under section 18 of the RCMP Act and he asked why we need this new provision. The answer is simple. First, section 18 of the RCMP Act applies only to the RCMP and not to any other police service. Second, section 18 of the act does not provide a clear statutory authority to the RCMP for mounting undercover drug operations.

• (1340)

It only imposes a duty on the RCMP alone to enforce the law using powers that already exist under other statutes such as the Narcotic Control Act. Clearly there is a world of difference

between this broad statutory obligation and similar obligations in provincial police acts and the specific authority needed by all police services, federal, provincial and municipal, to carry out sting operations, an authority provided for in this bill.

It is also important to note that the police enforcement regulations contemplated in this bill build on the existing narcotic control regulations and the food and drugs regulations. Both sets of regulations authorize police officers to possess narcotic and restricted drugs when directly related to police work.

What is new is that the bill removes ambiguity that exists in the current legislation and gives police services a firm and clear statutory base for carrying out undercover drug operations.

Again, we are not acting in haste here. The text of new police enforcement regulations have been published in the *Canada Gazette*, part I, to allow time for consultation and comment from all interested parties. Consistent with this, I am also pleased to announce that the solicitor general has provided to his provincial and territorial colleagues a discussion paper on the enforcement provisions of Bill C–7. This paper was also made public to members of the House and to the public. The paper outlines the policy underlying the new police enforcement regulations that will be made pursuant to this act.

This is an example of a government committed to consultation and the careful and methodical development of legislation that answers the needs and concerns of all stakeholders. That is how the government does business and how it should do business.

There have also been concerns that Bill C–7 may permit an unwarranted intrusion by the federal government into provincial areas of jurisdiction, in this case the conduct of provincial and municipal police anti–drug operations. That concern is without foundation. Bill C–7 expressly recognizes that both the federal and provincial governments have clearly defined jurisdictions in the area of drug enforcement. The authority of the provincial ministers responsible for policing over provincial and municipal police services is expressly stated in the bill.

Domestic issues aside, the bill is also important in that it will allow us to fulfil our international obligations. Canada is, after all, a signatory to three UN international conventions designed to counter substance abuse and drug trafficking: the Single Convention on Narcotics Drugs, a Convention on Psychotropic Substances and the Convention against Illicit Traffic in Narcotic Drugs Substances. These international conventions are crucial in the fight against drug traffickers.

Drug trafficking is an international problem requiring international action. We need only look at reports such as the RCMP national drug intelligence estimate to realize how true that statement is. Money laundering through international banking systems, illegal drug routes criss–crossing the entire world and drug production centres ranging from South America to the Middle East all emphasize that international co–operation and co–ordination are necessary to effectively fight drug trafficking. That is why it is important Canada fulfil its international obligations to the best of its ability.

The bill will give our police services the tools they need to do their jobs properly and to ensure they are at least as effective in their anti–drug operations as their counterparts in other countries.

Aside from providing the police with a statutory basis for carrying out undercover drug operations, the bill also provides three other measures that will assist the police in their anti–drug activities. First, the bill will provide for controls on the import, export, production and distribution of controlled substances while at the same time allowing for the use of substances for medical, scientific and industrial purposes.

• (1345)

Second, the bill will provide a control on the import and export of precursors, which are chemical substances used to produce controlled substances.

Third, the bill will provide for the forfeiture of any property used to commit such offences and for a comprehensive search and seizure mechanism consistent with the Canadian Charter of Rights and Freedoms.

I hope in my remarks during the past few minutes that I have made it clear the police enforcement provisions of Bill C–7 are a carefully considered set of measures designed to give police the powers they need to do their job properly. The provisions do not embody any new and exceptional powers, contrary to what has been suggested in the Chamber. The provisions do not infringe on provincial jurisdiction, contrary to what has been suggested during the course of the debate. The provisions are subject to consultation and review. They balance the needs of the police against the interest of the community as a whole.

In short, it is modern legislation designed to respond to the demands of a modern world. Our police services deserve all the support we can give them, particularly when it comes to fighting drug traffickers. In the past we have shown our support through the passage of the proceeds of crime amendment and the Seized and Restrained Assets Management Act. Speedy passage of Bill C–7, the Controlled Drugs and Substances Act, would both complement the previous two pieces of legislation I have mentioned and be a further demonstration of our commitment to support the police in their fight against the drug trade.

Therefore I have much pleasure in inviting my colleagues on all sides of the Chamber to give their unfettered support to this excellent piece of legislation as expeditiously as possible.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, it gives me great pleasure today to address Bill C-7. The problem of addiction and those who profit from addiction troubles the nation, my constituents in Lambton—Middlesex and people throughout Canada. Speaking as one who was elected to represent the same constituents, it troubles me.

The illicit drug trade and those who live off its avail exact a heavy toll, especially on that segment of our population at the greatest risk: our youngsters, a prime and favourite target of those dealing in illicit drugs. Drugs destroy families. They destroy careers and they destroy futures. They also destroy young lives. Perhaps most of all, whilst doing so they put cash into the hands of criminals.

In the early eighties there were more casual drug users among young people. While we see today a steady decline of casual drug use, there remains a hard core group of heavy drug users. What is worse is that those who make up the majority of the group are the youngsters hardest to reach.

Street youth today are consuming far more drugs than frequent drug users who are still in school. The battle against illicit drug use is being waged in our cities, where the problem is most visible, through programs and high profile media campaigns. It has also been carried out in smaller communities across the country.

Do we need more compelling reasons to advance the case against drug abuse? These people, the young, the abused, school dropouts, street kids, the unemployed and off reserve aboriginal youth are hard to reach.

• (1350)

It therefore follows that the critical path to addressing the issues of substance abuse lies in education, prevention, treatment and rehabilitation. We must also strike at the root of the problem. We must equip law enforcement professionals with the tools needed to deal effectively with those who prey on the addicted. This bill provides the tool. We must promote sound law enforcement if we are ever to advance in the broader social goal of maintaining safe and peaceful communities. The bill provides the means of accomplishing this goal.

We have also heard how the bill looks to the future. First, it provides a flexible framework for controlling the import, export, production, distribution and use of controlled substances.

Second, it provides a mechanism that will allow us to implement our international obligations and to restrict the production or trade of regulated substances to the medical, scientific and industrial purposes.

Third, it enhances enforcement of the law by the police and the courts as it provides the police with the necessary tools to enforce the law and provides for the seizure and forfeiture of property used in offences involving controlled substances.

Additionally, by reaching a broader range of controlled substances, the new legislation will help make it more difficult for drug dealers to reach children and will strengthen sentences handed down by the courts. It will make it easier for the police to arrest people who deal in illegal drugs.

Drug dealing in and around schools and in or near public places usually frequented by minors will constitute an aggravated factor at the time of sentencing. This means that judges will have to justify their decision when not imposing a jail sentence.

The new bill also places safeguards at all levels of production and distribution of controlled substances. This should ensure that they are not diverted from medical, scientific and industrial channels to the illegal street market.

Right now as we debate the bill designer drugs are being produced in some clandestine laboratory and cannot be subjected to prosecution until they are included in the schedules. These designer drugs have the same basic properties as more familiar substances such as stimulants, tranquillizers and painkillers. However their chemical properties have been slightly altered. The result is that these substances are not covered by existing legislation and can be sold with impunity.

Under the bill law enforcement officials will no longer have to wait for the drugs to appear on statutory schedules to stop criminals from selling them. So-called precursors, legal substances used in the manufacture of illicit substances, can also be obtained in large enough quantities through devious means.

The bill contains enhanced controls for anabolic steroids. Studies in the United States and Canada have shown clearly that the problem of steroids is not confined to the high stake arenas of international competition. This was confirmed by Justice Dubin's findings. High school and college athletes use steroids in hopes of winning athletic scholarships or to shape up more quickly. Recreational athletes, adolescents and adults alike use steroids to improve their physique.

It is no secret that even taken in limited doses for legitimate medical purposes steroids can cause serious side effects. Information from law enforcement agencies suggest that most steroids used by athletes are not prescribed by physicians. The mixture sold on the street may be of inferior quality or could pose unknown health risks.

Under the proposed act not only will it be easier to arrest and convict traffickers but it will enable governments to seize and forfeit the proceeds of crime and property used or intended for the purpose of committing a drug related crime.

It is only through the adoption of the measures of education, prevention and law enforcement that we will have the necessary means to foster healthy communities free of addiction, degradation and criminal oppression.

Children are entitled to grow up and develop in a supportive and caring environment, one which spawns honest, healthy and productive lifestyles. The bill before us is one way we can help to promote such a climate for the children of Canada.

• (1355)

At this point I stress three particular concerns brought to the attention of the subcommittee during its study of Bill C–7 with respect to the definition of practitioner. A number of witnesses appearing before the subcommittee, in particular the Canadian Medical Association, had grave concerns. We have addressed those concerns by setting out the definition of practitioner in clause 2 and by specifying that a practitioner be a registered and licensed individual. We have removed any possibility of the regulated activities of professionals being equated with trafficking.

The next issue is subclause 3(1). As originally drafted the bill deals with the effect similarity of substances not covered in any of the bill's schedules. Concerns over the particular subclause were raised by many groups and individuals. Their perception was that certain herbal products might be inadvertently covered by it.

Because of these concerns the subcommittee agreed to delete subclauses 3(1)(a) and (b) entirely. Essentially the effect similarity provisions have disappeared and we believe this would definitely erase all concerns regarding herbal products.

I will respond to some criticisms raised by members of the opposition during debate at second reading. Both the official opposition and Reform members identified the absence of regulations as a fundamental impediment to obtaining a full understanding of the impact of the legislation. The activities of pharmacists, physicians, dentists and veterinarians are currently subject to the regulations under the Narcotic Control Act and parts III and IV of the Food and Drugs Act.

The Speaker: The member will have time left in the debate after question period. However, it being 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

NATIONAL UNITY

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, over the last 128 years Canadians have built a country that is the envy of the world. We have built a land that is prosperous and a country based on shared values such as peace, compassion and tolerance.

We are also a nation profoundly attached to remaining a united country, a nation that includes Quebec. The mutual social, economic and political benefits of a united country or a united Canada have been clearly stated by the leaders of the no campaign.

All Canadians from coast to coast have spoken from their hearts. They have reached out to say loud and clear that we want Quebec to stay. Now is the time for Quebec to look at the facts. When it does so, I believe Quebec will reject confusion, uncertainty and separation.

On this important day I believe Quebec will clearly express its intention to remain in a united Canada.

* * *

QUEBEC REFERENDUM

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, today the people of Quebec are making a decision that will affect not only Canadians living in Quebec but all Canadians. Our country will be profoundly changed regardless of the outcome of the Quebec referendum.

There are two ways to confront change: first, to resist at every opportunity, drawing comfort from that which is familiar; and, second and more difficult but potentially much more rewarding, to accept the inevitability of change, to embrace change and thereby have the opportunity to manage it.

Our country is poised at the precipice of such change. We have an opportunity to put aside past partisanship, past bias, and to look to the future with an open mind.

We have an historic opportunity to fashion a new federation that is flexible enough to accommodate our different visions, strong enough to weather life's storms, and gentle enough to be a beacon of hope to the world.

* * *

HEALTH CARE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, the health minister has repeatedly stated her government's commitment to maintain the quality of health care. However, with federal government programs cut by a staggering $7 billion over three years and more to come after, the government's commitment to equal and quality health care for all Canadians is simply unbelievable.

The Reform Party wants a two–tier health system, a good one for the rich and a poor one for everyone else. Both will lead to the end of the health care system we all treasure.

The minister should show some leadership on the question of health promotion, which the World Health Organization defines as the process of enabling people to increase control over and to improve their health.

The province of Saskatchewan leads the field in Canada on the front of health promotion and health prevention. Even American insurance companies are more committed to health prevention than the minister is. It is not anything new; we have been hearing this for years.

With the continuing federal cuts, the challenge to continue to provide equal access to quality health care is a serious one. It is surely time for the government to begin looking at concrete methods of saving money and improving health care through a concerted initiative toward preventative health care.

It is time for the minister to show some real leadership and work with provincial ministers, health care professionals and—

The Speaker: The hon. member for Parry Sound—Muskoka.

* * *

NATIONAL UNITY

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise today to provide an example of how much constituents in my riding believe in maintaining the unity of Canada.

Last week in the Parry Sound council chamber, the Canadian flag, flanked by the flags of Ontario and Quebec, joined that of the town of Parry Sound. Mayor Cunningham pointed out the inclusion of the Quebec flag, noting its special significance at this point in history. She went on to say: "It represents our tie to Quebec and our wish and hope that Quebec remain a part of Canada, our appreciation of its differences and what it adds to the nation".

The mayor went on to quote a local columnist who had noted that many individuals would feel as if they had lost a substantial part of their identity and their sense of Canadianism if Quebec were to separate.

Mayor Cunningham reflects the vast majority of constituents in my riding who believe in the unity of Canada. They know that Confederation has worked for all parts of our nation and recognize that our unity and prosperity depends on a no vote today.

* * *

NATIONAL UNITY

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, today is referendum day in Quebec. All Canadians await anxiously the results of this vote.

I have received many letters and phone calls on this subject. I would like to share one such letter from the Canadian city of Montreal.

> Canada is a nation made up of numerous nationalities besides French and English, people who left their native countries to contribute their intelligence, energy and talent to their new nation, Canada, to build a better life in peace for themselves and for their children.
>
> When they were separated from their homelands they had in mind a new project of integration because they believed that unity is a strength and to live in a united and strong Canada would bring them both strength and prosperity. After years of contributing to the growth and success of la belle province, it is heartbreaking to see those who would destroy our nation Canada.
>
> As we have built this nation together we must vote to keep this country united.

The letter is signed by the Assadourian family.

I urge all Quebecers to reflect on these thoughts.

* * *

NATIONAL UNITY

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, today Canadians are watching and hoping for a strong no vote in Quebec. Reformers believe that no means not only no to the separatists but no to the status quo as well.

We must all acknowledge the problems that have led us to this point, starting with the top down style of federalism that dictates to provinces and people, instead of bottom up grassroots democracy.

The problems of ever increasing taxes, the enormous debt, unacceptable levels of unemployment and a failing criminal justice system are the result of failed policies of the past.

Reform has recently published 20 proposals for a renewed Canada. Without constitutional change, we would give power back to the provinces in language and culture, in natural resources and manpower training.

We would give Canadians direct democracy through recall, referendum and free votes in this House.

I urge my fellow Canadians in Quebec to vote no today and in doing so, say yes to a renewed Canada.

* * *

NATIONAL UNITY

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, Monday and Tuesday of last week I had the opportunity to meet with 50 students from Collingwood Collegiate Institute and to be part of their demonstration for national unity.

These students took it upon themselves to show their deep commitment to the people of Quebec by coming here to Ottawa–Hull to talk with and to share their concern and love for this great country with students from Quebec. They implore the

people of Quebec to vote no today and to share their dream of a united Canada that is respectful of their language and traditions, as well as being judged one of the best countries in the world in which to live.

I have with me today a petition from 359 students from Collingwood Collegiate Institute asking Quebecers to keep their faith in Canada and Canadians.

* * *

• (1405)

NATIONAL UNITY

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, people from all over Canada, including my riding of Lambton—Middlesex, gathered by the thousands last Friday in Montreal to show their support for Canadian unity.

The future of this country is for our children. In that vein I am happy to report that some children in my riding have sent a message of support to our Prime Minister and to Canada. It consists of a huge 10-foot unity poster which was put together by the grade 5 and 6 class of Caradoc North Public School in Caradoc township near Strathroy, Ontario.

The idea for this poster which consists of 400 pairs of hands and 400 accompanying signatures came from the children. Its theme of course is unity among Canadians, all Canadians and its message is heartfelt and sincere. Over the top of the 400 pairs of clasped hands is a message in French and English: Ne separez pas. Don't let go.

For the sake of our children, let us keep this wonderful country, our Canada, together.

* * *

QUEBEC REFERENDUM

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, we Canadians are lucky. Our country's political and democratic institutions are sound and have the confidence of the people. They have served us well in a long history. They were used to resolve some of the most fundamental conflicts any society can face, the role of government in private lives and the power of centralist institutions in conflict with regional aspirations.

The resolution to these and many other conflicts were never supported by all Canadians. Before votes, they were discussed widely and heatedly. They divided families, friends and regions. After the votes were counted, the democratic decision was accepted. Losers licked their wounds and resolved to fight again by the same rules.

This democratic tradition will be tested severely when the votes are counted today, when the stakes are higher than they have ever been before, when many fear the end of Canada.

I pray that all Canadians and especially we in these chambers continue to follow our successful democratic tradition and accept the people's—

The Speaker: The hon. member for Kamloops.

* * *

GOVERNMENT POLICIES

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the second anniversary of the Liberal government of course has now come and gone. Increasingly in the provinces and territories people are very concerned about the future. I wonder why.

The Prime Minister stated that he would tear up the FTA and would only sign NAFTA if major changes were made. No changes were made and the Prime Minister has become the strongest cheerleader of the NAFTA program down south.

The Liberals promised a new Bank of Canada policy. When they assumed office the rate was 4.3 per cent and today it is closer to 7 per cent. Canadians thought that the new policy meant lower interest rates not higher ones.

The Liberals promised a national child care program. Instead they have cut funding for the existing child care programs across the country.

The Liberals promised to abolish the hated GST. Today the GST continues to be collected and the government now is thinking of only changing the name of the GST.

Looking at the future we see reduced UI payments, reduced pension coverage, reduced—

* * *

[*Translation*]

UNITED WAY

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, it is with great pride that I rise today in the House to pay honour to my city of Estevan, Saskatchewan. Estevan has wrapped up its United Way campaign with a telethon which generated $139,000. This year they reached their objective faster than any other city in Canada. And this is not the first time; they have done the same eighteen times in the last nineteen years.

Estevan was the first city in the country to reach its United Way objective. Estevan is a perfect example of the values that are important to both Canada and the United Way: compassion

and generosity to all Canadians. Let us tip our hats in honour of Estevan, the most generous city in all of Canada.

* * *

[*English*]

NATIONAL UNITY

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, I rise today as a Newfoundland MP and a proud Canadian. I speak on behalf of my constituents of St. John's East and the majority of Newfoundlanders. My message is to the people of Quebec and it comes from our hearts:

Today you will vote in a referendum to separate from Canada and the outcome affects us all. It was not that long ago that the people of Newfoundland voted to join Canada. You welcomed us and we have lived together in one peaceful nation.

We may come from different regions and face different circumstances but we share many of the same values and principles.

• (1410)

Like you, I want the best for my family and for my children. I want them to be able to find good jobs, to have the service and programs they need and to live in a generous and compassionate country. These goals are possible in a united Canada. Anything is possible in a united Canada. Let your children inherit the best country in the world, Canada. Vote no.

* * *

NATIONAL UNITY

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, after 128 years of nationhood we find ourselves on the brink of massive change. Today millions of Quebecers will be asked to decide whether they want to stay and build Canada or to leave and construct a nation of their own.

Regardless of the outcome of this vote, regardless of whether Quebecers choose to stay or to go, one thing is clear: This country will never be the same again. If nothing else, the referendum has demonstrated the bankruptcy of the status quo.

A narrow victory for the no will not change the fact that millions of Quebecers have voted for fundamental change. Whether to stay or to go is for Quebecers to decide, but on behalf of my Reform colleagues I send the following message to Quebec: If you choose to remain Canadian you will not be alone. There are millions of reform minded people like you in every province of this country. Join with us. Together we can build a renewed federation which addresses our concerns. Vote no for sovereignty and yes to the new Canada.

[*Translation*]

NATIONAL UNITY

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, the Quebec referendum debate will have had the side effect of encouraging the people of other Canadian provinces to express the heartfelt feelings they harbour toward Quebec.

For more than a week now, hearts in all of Canada beat in time with those in Quebec. This harmony of thoughts and feelings reached its peak with the monster rally last Friday in Montreal.

There was only one message to be delivered at that rally, and I believe that it was: our brothers and sisters in the other provinces understand and love us. They do not want to see their country broken apart, and they cannot imagine a Canada without Quebec.

By voting no this evening, the men and women of Quebec will allow us to continue this great adventure of tolerance and openness. My wish on this October 30, 1995 is: long life to Quebec, long life to Canada.

* * *

[*English*]

WORLD TRADE ORGANIZATION

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, China is now in the process of applying for membership in the World Trade Organization, an application which the Liberal government supports in spite of China's appalling record on human rights and labour rights.

The WTO does not have any rules regarding labour rights, despite the efforts of the NDP working alongside many labour movements, social democratic parties and others around the world. To join, China must therefore prove it will respect foreign investors' intellectual property rights but not the rights of many child labourers, prison labourers and conscript labourers who suffer in China's unregulated labour market.

Trade will improve human rights in countries like China if and only if international trade rules offer the same protection for the human rights of citizens and workers as they do for the rights of investors.

I call on the government to take the lead internationally in making China's membership in the WTO conditional on the respect for basic labour rights.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I have good news and bad news today.

The good news is that Bounjan Inthavong, the bad guy from Laos who participated in the murder of young Kirby Martin by beating him with a baseball bat, has been deported. The minister of immigration assisted me in that deportation and I thank him for that. I hope the next time it will not take a year and a half to get his act in gear.

The bad news is that there are many more to deport, like Karel Kral and Hector Lopez. Standing in the way of these deportations is an inept, incompetent refugee board.

Most Canadians do not know this but these refugee boards are not required to look at criminal convictions of non–Canadians at refugee hearings, only the consequences of sending them back to the receiving countries—

The Speaker: The hon. member for Madawaska—Victoria.

* * *

[*Translation*]

NATIONAL UNITY

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, my statement today is that of millions of Canadians across this country. It is as follows:

• (1415)

O Canada! Our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada, we stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee!

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*English*]

FEDERAL–PROVINCIAL RELATIONS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, regardless of the outcome of the Quebec referendum, Canada must go on with important changes in the federal system. The priorities of the Canadian people must be met. The federal debt has risen to over $560 billion. Canadians are staggering under an oppressive tax burden. Our health care system is on the critical list. Canadians are increasingly concerned about their public safety.

My question is for the Minister of Intergovernmental Affairs. Is the government willing to make changes, real changes, in these important areas to prepare Canada for the 21st century?

[*Translation*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Thank you, Mr. Manning, for this vote of confidence in Canada.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we saw on Friday and again throughout the weekend the power that Canadians can exert when they work together. Tens of thousands of Canadians joined together in a common cause and voiced a common concern. They want a united country and a Canada that is open to change. On that point I think I can speak for every member of this House when I say that we love this country and we will fight for change within a united Canada.

Is the government prepared to invite greater public input and greater public participation, like we saw on the weekend, in developing and implementing a Canadian agenda for change?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, certainly we can agree with the Reform Party on one point. The show of strength of Canadians from across the country who converged on the city of Montreal to show their solidarity with Quebecers and to show Quebecers that not only is Canada good for Quebec, but Quebec is a very key part of Canada, with that we can certainly agree.

We look for the continued support of the leader of the Reform Party to implement an agenda where Canadians can feel at home in any part of their country, in any language.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in order to address many of the concerns on the Canadian agenda there needs to be a realignment of responsibilities between the federal and provincial governments.

Canadians want the control of the financing of services, like social services that affect their daily lives, to be in the hands of the level of government which is closest to them. They want the federal government to play a co–ordinating role in the establishment of national standards and a stronger role in the area of international trade on which so many jobs and incomes depend.

My question is for the Minister of Intergovernmental Affairs. In the days following the referendum is the government prepared to fundamentally rethink its relationship with the provinces and realign important federal and provincial responsibilities?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, there was one message which came out very loud and clear from the people who gathered in Montreal from every corner of the country. The message was that they were tired of political fights. This was not a discussion among politicians. It was a heart to heart talk among the people of Canada. I personally spoke to a lady in a

wheelchair who came from Peace River, Alberta with her husband. She met me in the elevator and she said:

• (1420)

[*Translation*]

"Ms. Copps, I do not speak French, but if you could tell Quebecers their being part of this country is important, tell them, because their Canada is my Canada". And that is the message we must give Quebecers today, not the message that Canada does not work. Canada can change. Canada will change. And it will change with the heart of Canada inside it: Quebec.

* * *

[*English*]

THE ECONOMY

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, whatever the outcome of the referendum today, Canada's deficit crisis remains. The difference between the government's spending and revenues is nearly $100 million every 24 hours of every week, of every month, at least for this year.

Can the Minister of Finance assure the people of Canada that whatever the outcome of the referendum, he has decisive plans for the prompt elimination of the deficit?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the government has a clear plan to reduce the deficit and to move from 3 per cent of GDP to a balanced budget. We have followed our plan.

Despite the changes in the economic environment, as the finance minister says, come hell or high water we are going to meet our targets in reducing the deficit. The best way of doing that is what we have done, to keep our feet to the fire with rolling two year targets. We have done that and we are going to continue doing it.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, whatever the outcome of the referendum today, Canada's debt will still be $560 billion. Our generation imposes an irresponsibly high burden on young Canadians.

Can the minister assure young Canadians that he has decisive plans to deal with the burden of the debt on young Canadians?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, if the Reform Party were really interested in the financial state of the country, instead of using question period on this very important day to score cheap political points, it would be working with the Government of Canada to keep Canada together which is the best message for the Canadian dollar that we can expect.

* * *

SOCIAL PROGRAMS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is directed to the Deputy Prime Minister.

I think it is fair to say that citizens in all provinces and territories today are concerned about what they hear of the government's plans to reduce the unemployment insurance program, reduce pension coverage, reduce health care funding, reduce post–secondary education funding, reduce support for all social programs and last, high interest rates and high unemployment levels.

Knowing that this is in place and these are the trends, why should Canadians in any province and territory today be hopeful about the future?

[*Translation*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I want to thank the hon. member for his question, because it gives me a chance to repeat the message I sounded loud and clear in the Gaspé on Saturday.

It was that Gérald Larose, who for 25 years has worked for the sole cause of separation, is spreading false versions of the federal government's policies on unemployment insurance. I can assure the hon. member, as I did in the Magdalen Islands yesterday, that the documents prepared by Gérald Larose and the CSN are pure separatist propaganda and of no value in the current debate.

[*English*]

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my supplementary question is also for the Deputy Prime Minister and concerns integrity in government and particularly in this government.

The Deputy Prime Minister promised Canadians that if the hated GST was not abolished immediately that she would resign her seat. Why has the Deputy Prime Minister not resigned her seat?

• (1425)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, when I hear a member of the New Democratic Party from British Columbia talking about integrity, I want to say "bingo".

An hon. member: Under the "N" for New Democrats.

Ms. Copps: I will say that during the election campaign I gave my word to the people of my riding that if we did not scrap the GST before the next election, I would resign and I intend to respect that promise.

Some hon. members: Oh, oh.

* * *

INCOME TAX

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, regardless of the outcome tonight, the government should proceed with important, positive and constructive changes in the area of taxation.

The Liberal red book clearly states that fairness, simplicity and harmonization should be the key objectives of Liberal tax policies.

If they want to meet this promise, when will the Minister of Finance commit his government to full parliamentary review of our convoluted, complicated, confusing income tax system?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, compared to some other tax systems, ours is a model of simplicity. We review it every—

Some hon. members: Oh, oh.

Mr. Peters: Have a pack of yahoos taken over the seats over there?

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, let me try again.

The charter of rights and freedoms has 7,000 words, the Bible 773,000 words, the Income Tax Act has 1,200,000 words. Our current system of taxation has become an enormous social experiment which can no longer be understood, much less justified. Given that the United States is looking at flat tax reforms being brought forward by almost every Republican candidate for the next presidential election and this parliamentary secretary jokes about simplicity, when will the government follow suit and offer Canadians some hope in the form of tax reform and tax relief?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, every time someone proposes the flat tax, I ask them: Are you going to pay more taxes or less taxes under a flat tax system? They always answer one way. They are going to pay less. I do not know who is going to pay the taxes under a flat tax system if that is the case.

I know under the Reform Party plan who will pay more taxes. The poor and the middle class are going to pay more and the wealthy are going to pay less because that is the Reform Party platform.

* * *

[*Translation*]

CANADIAN FORCES

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is directed to the Minister of National Defence.

Yesterday, the first Canadian Forces flight to leave Bosnia arrived in Quebec City. A second flight will arrive today. These members of the peacekeeping force have worked under very difficult conditions in an extremely difficult situation.

Could the minister tell the House about the role these Canadians have played in saving the lives of civilians and opening the door to peace in a region torn by war?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I want to thank the hon. member for his question. I wish to commend all members of the Canadian Forces who worked in the former Yugoslavia during the past four years.

They served with great distinction, and we are proud of all members of the Canadian Forces.

• (1430)

[*English*]

It is not very well known that Canada now has, joining among its citizens upon the return of members from the armed forces, more veterans from armed conflict than at any time since the Korean war. The men and women who have served in Bosnia and Croatia have seen terrible hostility. They have seen a society that has been ravaged.

They have brought the best principles of civility, tolerance and compassion of a united Canada to bear upon their service in that area.

[*Translation*]

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I have a supplementary for the minister.

Could the minister tell us of the prospects for the future deployment of Canadian peacekeeping forces in Bosnia?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the Prime Minister has said, Canada would consider participating in any force set up to help keep the peace in Bosnia after the appropriate peace settlement is negotiated. That is an option we are keeping open and one that we will consider.

Canadians appreciate that we have worked very hard in that area for the last three or four years and that we have contributed much. That does not mean to say we would not be prepared to continue our co–operation with any new force.

* * *

SOCIAL PROGRAMS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, as Reformers and as Canadian we sincerely believe in a strong and

united Canada both today and for the future. I know the Liberals share our vision for a more decentralized federation.

Regardless of today's vote, to indicate an end to the status quo what specific powers and changes is the Minister of Human Resources Development prepared to offer to the provinces in the area of social programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I was interested in the opening question of the leader of the third party asking us to engage Canadians in a major debate.

Up to now the Reform Party has opposed the major public participation that we encourage in looking at the changes to social programs. I am glad to see there has been a change in attitude on the part of the Reform Party.

One of the most important lessons out of the dialogue that has taken place with hundreds of thousands of Canadians is when they are talking about decentralization there is much talk about giving the individual more choice, providing more resources in the hands of individual Canadians and local communities to allow them to help shape, design and customize employment programs and social programs to meet the requirements of their own local communities.

As the hon. member will know, we have already taken a major step to fundamentally decentralize the operation of the Department of Human Resources Development which serves 11 million Canadians. It is the largest service delivery organization in the country. We have already announced those steps to bring the locus of responsibility, accountability and decision making to the local level so that we can work in partnership at the local level with individuals.

That is an indication of the kind of changes we want to make.

[*Translation*]

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, in French, please.

The Reform Party would like to offer more hope to Canada and all the provinces, including Quebec. We believe we must decentralize control over social programs. Canadians are calling for it and so are the provinces. We want the provinces to have the final say over training, education and social assistance programs.

Will the minister of human resources be consulting in this regard?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member for Calgary Southeast knows, we have, in the past year, offered all of the provinces the option of full responsibility for training so they would have all the flexibility they need to manage this area of jurisdiction. I set up a negotiating process with all the provinces and many agreements have been reached.

• (1435)

As far as unemployment insurance is concerned, I hope that, with the reform, there will be a new system, a new network for Canadian jobs. There will be a lot of opportunity to continue negotiating with the provinces, the unions, businesses and social groups in order to come up with a new approach to developing an employment system for all Canadians.

* * *

[*English*]

JASWANT KHALRA

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, my question is for the Secretary of State for Asia–Pacific.

Jaswant Khalra, a human rights activist who appeared before Canadian parliamentarians in March, was abducted from his home in Amritsar, Punjab, India on September 6 by unknown persons. He has not been heard from since and police investigations in India have revealed no information as to his whereabouts.

Mr. Khalra's abduction is of great concern to many Canadians as well as to the international human rights community. What action has Canada taken regarding the abduction of Mr. Khalra?

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Mr. Speaker, after my department learned of Mr. Khalra's abduction our high commission in New Delhi made immediate approaches to the Indian authorities regarding this case.

We have contacted the human rights person in the Punjab state regarding his abduction. I raised the case of Mr. Khalra with the foreign affairs minister of India in New York when I attended the United Nations conference earlier this month.

The Prime Minister and I will be travelling next week to New Zealand for the Commonwealth conference. At that time we will continue to follow up with the Indian government regarding this matter.

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JUSTICE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, regardless of the outcome of today's referendum, Canadians continue to be extremely concerned about their safety. The early release of violent offenders is one issue that will not go away.

Can the solicitor general explain to Canadians why a first degree murderer is allowed to appeal his parole eligibility after serving only 15 years of a life sentence?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, section 745 has been part of the Criminal Code for almost 20 years. The debates which accompanied its introduction those many years ago disclose a will on the part of Parliament to provide the possibility after 15

years for persons to go in front of a jury to ask for permission to apply for parole in certain circumstances.

What must be borne in mind is this is not the right to parole. This is simply a provision permitting a prisoner to go before a jury drawn from the community to test the question of whether they should be permitted to apply for parole to the Parole Board.

That was the will of Parliament when that provision was adopted 15 years ago.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, murderers Jim Peters and Robert Brown raped, stabbed to death and burned the bodies of their victims Laurie Boyd and Debbie Stevens. The Boyd and Stevens families are outraged to think that Peters could be eligible for a parole or even for parole review after serving only 15 years.

Since the solicitor general says he cannot intervene in the decision making process, will he support the repeal of section 745 of the Criminal Code and ask his party to support it as well?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, over the last two years I have met with dozens of victims of violent crime, women whose husbands have been killed, children left without parents, men and women whose children have been lost to violence.

I have listened to the message those Canadians have expressed. As part of Bill C–41 we changed section 745 to ensure that the courts on application for permission to apply for early parole will be obligated to hear from the families of victims as a factor to be taken into account in making that decision.

• (1440)

There are those who say that is not enough. Let me respond to the hon. member further. When the private members' bill to repeal section 745 came before the House there was in essence a free vote on that subject. That bill has now gone to committee. I have encouraged the committee to look broadly at the whole subject and make recommendations. We shall pay close attention to those recommendations once they are made.

* * *

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. Canadians everywhere well remember the members of the present government's forceful opposition to the previous Conservative government's cutbacks on health care, post–secondary education and social programs when in opposition.

Yet since moving from the opposition benches to the government side there has been a change of heart. This government's cuts to health care, post–secondary and social programs are the deepest in the last 50 years. While implementing an 8 per cent cut across the board, there is a full 25 per cent cut in these three areas.

Does she feel that tearing down the very institutions which define us as Canadians and which we hold dear is the way to build a strong, unified country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker. On a day that all Canadians should be rallying to support Canada, on the eve of a very critical vote for all of us, I am rather surprised the NDP has joined the chorus of naysayers on the Reform side of the House.

I can only hope that between now and the time the polls close tonight in Quebec the message will not be coming out—the one that seems to be coming from the opposition benches—that Canada is in a mess and that it does not work.

The people of Canada have stated loud and clear they want universal health care available to everyone. The government has taken that suggestion against the opposition of certain premiers and certain political parties. We will fight to ensure that every single Canadian has access to health care because that too is part of the Canadian dream.

* * *

[*Translation*]

IRVING WHALE

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, according to an article in *La Presse* last Saturday, a large quantity of oil is leaking from the *Irving Whale*. Could the Deputy Prime Minister and Minister of the Environment give us some information on the subject and reassure fishermen in the gulf?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I would like to give hon. members my assurances, as I did yesterday when I met with representatives of the RCM in the Magdalen Islands, that Canada will be there to take its responsibilities as soon as possible. It is too bad the Bloc Quebecois is trying to obstruct the refloating of the *Irving Whale*, but as soon as we can, and in fact this spring, despite the crushing opposition of the Bloc Quebecois, we will refloat the *Irving Whale*. And the fact that oil is leaking now goes to show how important it is to do this as soon as possible, and we will do it in Canada.

[*English*]

SOCIAL PROGRAMS

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, regardless of today's vote Canadians know changes to our social programs are essential. The Department of Health recently spent $2.5 million on public opinion polling. With all that money the minister must know what changes Canadians want. Would she tell us?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, when the hon. member speaks about polling and the money that was spent, the majority of the money was spent on tobacco. It was for a number of surveys including the study on plain packaging.

As a result of the Supreme Court decision, before any actions are taken or any pieces of legislation brought forward, we need to have evidence on which to base that legislation. It is necessary to have these surveys. I am a very careful with money but there are times when we have to spend those dollars.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the minister is fond of saying we want a U.S. style health care system.

An hon. member: No she isn't.

An hon. member: Wrong party.

• (1445)

Mr. Hill (Macleod): It has very little to recommend it, frankly. Canadians are looking at a system much more like that in Europe. There they have a public system complemented by the private system. The costs go down and the access goes up.

Is the minister polling to improve medicare or simply to protect her legislation?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, medicare in this country is about more than money. It is about more than cheap politics. It is even about more than health care.

Medicare concerns our self–understanding as a people and as a country. It concerns our identity as a fair, just, compassionate and pragmatic people. It is an identity that was fashioned by our commitment to shared fundamental values. It is an identity that is cherished by every Canadian.

Medicare recognizes the very best of what we are as Canadians. Without the medicare system we have now, Canadians would lose a very important mirror on themselves. We will not allow that.

U.S. BORDER TAX

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

Last February an American senator assured us that a plan to impose a fee on Canadians crossing into the States was "as dead as Elvis". Elvis may be dead, but I think he has been appearing in Washington before a Senate committee because they are talking about moving ahead with this plan.

Will the minister please tell us what the government is doing to persuade the Americans not to tax Canadians entering their fair country?

An hon. member: We want Elvis.

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I believe there have been a few sightings recently. In fact the House leader, who is something of an expert in these matters, has reported one such sighting.

The United States Senate judiciary subcommittee did indeed agree to a dollar tax on people entering the United States, but when it goes to full committee it is unlikely to carry. We are quite confident that when the full committee reviews the recommendation it will not go forward.

In any event, I would add that we have consistently pursued our point of view with the United States government, which is that, as the member suggests, such a measure would be in conflict with the United States commitments under NAFTA, a point that my colleague, the Minister of National Revenue, made when he visited Washington recently.

* * *

IMMIGRATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, no matter what happens with the vote in Quebec tonight, Canada must proceed with important constructive change.

Four years ago the Canada–Quebec accord was signed, which gave Quebec a significant voice and federal funding for immigration matters in that province. I ask the Minister of Citizenship and Immigration if this government is prepared to sign similar agreements with the other provinces.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, on the contrary, it really does matter what happens tonight.

Some hon. members: Right on.

Some hon. members: Hear, hear.

Mr. Tobin: Bravo. The Reform Party might have to learn to live with a no. That will be tough.

Mr. Marchi: Mr. Speaker, our Prime Minister has made it abundantly clear that change has been a defining characteristic of this government.

With respect to immigration, we have not only talked about change, we have actually gone out there and done it. There happen to be seven provincial agreements with the federal government on immigration. We are actively negotiating with the three other provinces that do not have an agreement. British Columbia and Manitoba are already well entrained and Ontario is advancing very nicely.

• (1450)

We also talked to the provinces about renewing the way we integrate, so we will be moving from a position of not only Ottawa knows best but going local because if it does not happen locally it does not work nationally.

We have talked to the provinces and are working with the provinces on promotion and recruitment from abroad and also with respect to giving additional powers to the provinces.

We will have more to say when we announce the levels on Wednesday afternoon.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is encouraging to hear that the Minister of Citizenship and Immigration is willing to let the provinces have more control in immigration.

I would like to know if the minister, when he announces the immigration projections for the new year on Wednesday, is going to allow the provinces to have input in the immigration levels of their provinces.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, not only will they have input from Wednesday on, I have actually discussed with and written to every one of my provincial counterparts to consult with them as to what the numbers ought to be and, beyond the numbers, what categories there should be in this country and what kind of latitude the provinces should have.

For instance, with Manitoba, along with the Minister of Human Resources Development, we have been discussing very intensely in the last number of days and weeks its need for garment workers. That is not solely an immigration matter, not solely an HRD matter, and not only a matter for the province. It is a matter for governments in general to get their collective acts together.

We are moving in the right direction. We recognize that it is a shared jurisdiction. I would hope the hon. member would stand up and applaud our efforts.

YOUTH SERVICE CANADA

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, I understand there has been an evaluation done on Youth Service Canada. Can the Secretary of State for Training and Youth provide us with some of the highlights of this report?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, normally I would want the secretary of state to give the answer because she has done yeoman's service in ensuring that the young people of this country have been provided with new opportunities for employment. However, in her absence, as it comes under my general responsibilities, I would like to answer.

At this time we have over 200 projects operating in the country in which young people have been given an opportunity for community experience as well as being able to earn a stipend so they can return to school. Over 80 per cent of the young people involved in the first year have indicated that they will be using the experience they have gained plus the honorarium they have earned to return to school, to start their own businesses, or to gain further employment.

It shows that when we give young people a chance in this country they are not the problem, they are the solution.

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ABORIGINAL LAND CLAIMS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, according to polls the number one issue in British Columbia is aboriginal issues. Among the provincial political parties there is a growing divergence of views on aboriginal issues.

With the current lame duck NDP administration in the waning days of its mandate, will the Minister of Indian Affairs and Northern Development assure the House that he will not entertain completion of any comprehensive agreements, such as the Nisga'a claim, until there is a new administration with a fresh mandate?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this government is prepared to entertain anything on which there has been consultation, which looks feasible, which will result in something better than when we started, and which takes into consideration the history of the aboriginal people. I see nothing in the proposal of the Reform Party that suggests it has adhered to any of those four criteria.

The Nisga'a have been waiting almost 80 years for justice and now the Reform member is saying do not do anything until the non–Nisga'a government changes in British Columbia. To do the honourable thing we should move ahead.

• (1455)

I want to point out that the native people in this country have expressed their love for Canada in the last week by the Montagnais voting 99 per cent no, the Inuit voting 95 per cent no and the Cree voting 96.3 per cent no. Do we treat them and their sense of feeling for this country by saying do not deal with them but wait for the next provincial election? My answer to the hon. member is no, absolutely not.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, this month the B.C. Minister of Aboriginal Affairs publicly stated that settling B.C. land claims will cost $10 billion. The federal minister's department this month estimated costs of $5 billion. My numbers tally with those of the provincial minister.

When there are radically different estimates on such a critical issue does the minister not agree that the public deserves financial transparency and a cost–benefit analysis on this issue?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, what the public needs is some straight talk from the Reform Party.

The member for Athabasca, who sits on the Reform Party's policy committee, said: "The Europeans came to this country 300 years ago, opened it up and settled it. Because we did not kill the Indians and have Indian wars does not mean we did not conquer these people. If they were not in fact conquered then why did the aboriginal people allow themselves to be herded into little reserves in the most isolated, desolate, worthless parts of this country?" That is what has happened in B.C.

The hon. member now says we should not do anything. Well now is not the time to take that position. I wish the Reform Party would support the BCTC legislation, which they may, so we can start negotiating and doing the job we were elected for: to support the very people the Reform Party represents. This hon. member has half a dozen to a dozen First Nations in his riding. It is about time he realized that they are Canadians and voters and have grievances that we must begin to resolve.

* * *

MEDICARE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister.

The Deputy Prime Minister talked earlier about fighting for medicare. I do not doubt the Deputy Prime Minister's commitment to medicare. However, I would like to ask her a question. Does she and the government not see that if this government continues the trend toward unilateral withdrawal of the federal government from the fiscal partnership that medicare also was—it was not just a partnership with respect to standards and services—they will be unable to maintain national standards because they will lose the critical moral edge they need and the Reform Party will win by default?

We have to fund medicare as well as fight for it. When will this government start funding medicare so that we can save it?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have stated unequivocally that we would continue to fund medicare in this country with stable, ongoing funding.

There are many myths out there and one has to do with the decrease in funding by the federal government. Since we have been in power we have not decreased the funding at all.

Let me give the member an example of what is happening in Alberta in terms of our share of funding for health care expenditures. When we took office the level of federal funding in Alberta was 33 per cent of its health care expenditures. The following year it rose to 37 per cent of its health care expenditures. This year federal funding for health care in Alberta, as our share of its spending, will be 40.6 per cent.

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ENVIRONMENT

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is on the environment. On Friday we were assured in the House that the Canadian Council of Ministers of the Environment draft environmental framework would be released for public discussion.

• (1500)

Can the government inform us of this discussion schedule and the implementation time frame that will make this agreement a reality instead of another paper proposal?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the ministers agreed unanimously at the meeting in Whitehorse to release the document. We are ready at the federal level. We are speaking with our provincial colleagues and hope it will be released within a few days.

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[*Translation*]

PENSIONS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, my question is directed to the Secretary of State for International Financial Institutions.

Ninety per cent of the neediest senior citizens in this country are women. Because of their traditional roles and the fact they

were usually paid lower salaries, many women can expect to receive little or nothing in the way of pensions in their old age.

What does the minister intend to do to enforce the principle of equity between men and women with respect to pension reform?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I would like to thank the hon. member for Ottawa West for raising the issue.

Canada is world renowned for having one of the best retirement systems in the world yet one disadvantaged group in our country is single, elderly women. In recognition of that fact, Liberal governments have in successive years improved the security of low income, elderly women. The result is that retirement incomes for elderly women have been drastically improving over the last 10 or 20 years. The proportion of low income, elderly, women has declined significantly.

That is in contrast to the proposal on pensions from the Reform Party which would have the opposite effect of making the single, elderly woman less well off.

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PRESENCE IN GALLERY

The Speaker: Colleagues, I would like to draw your attention to the presence in the gallery of Dr. Antje Vollmer, Vice–President of the Bundestag of the Federal Republic of Germany.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

SINGING OF O CANADA IN HOUSE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I raise a point of order to seek the consent of the House for a small amendment to the standing orders which I think every patriotic member will support.

All of us participated enthusiastically today in the singing of "O Canada". Many of us, if not all of us, would like that to become a regular feature of the House just like the flag.

Eighteen months ago an amendment to this effect was referred to the Standing Committee on Procedure and House Affairs but nothing came of it.

I, therefore, seek the unanimous consent of the House for the following motion:

That Standing Order 30(1) be amended by adding immediately after the word "upon", the following:

Point of Order

On Wednesdays, immediately after prayers, the Speaker shall cause Canada's national anthem to be played or sung in the House.

That Standing Order 30(2) be amended by deleting all the words after the word "prayers" and substituting the following:

Or on Wednesdays after Canada's national anthem has been sung or played, the business of the House shall commence.

And that the clerk be authorized to make any consequential amendments to the standing orders in this regard.

If this was the only piece of business we did on this particular day I think it would be a good piece of business for Canada.

Some hon. members: Hear, hear.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I want to congratulate the hon. member on his very helpful suggestion.

I can indicate to him that having given me some notice this morning of the fact that he intended to raise the matter, although I did not have the specifics of the motion he had planned, I spoke with the chief government whip who, as he knows, is a member of the procedure and House affairs committee which I have the honour to chair. The chief government whip indicated to me his enthusiasm for the suggestion and he is quite prepared to consider it in committee. While I am happy to take the hon. member's motion under advisement, it would be inappropriate to make changes to the standing orders of the House here on the floor without notice.

• (1505)

Normally notice is given of these motions if they come at all through other than the committee. I think it appropriate that the committee take the matter under advisement and report to the House. I will undertake to see that the committee does study it at an early date.

The Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is not unanimous consent.

Some hon. members: Oh, oh.

The Speaker: My colleagues, I asked the House if we had unanimous consent to proceed with the motion. The House has refused it. Therefore this particular matter is set to one side.

If the hon. member has another point of order, I will gladly hear it but if it is on the same subject the House has decided.

The hon. member, for clarification.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, this is the very same motion I brought to the procedure and House affairs committee a year and a half ago.

Can we have two motions the same? It seems ludicrous to me that it was already sent there. How could we then send the very same motion back again? Let us just do it.

The Speaker: My colleague, you ask for clarification. What the committee does is the committee's business until there is a report to the House. I do not recall a report coming to the House.

To go back, we had a request for unanimous consent and the unanimous consent was turned down by the House.

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, a question of privilege. Perhaps a false impression has been left with my constituents that the Liberal Party opposes the singing of the national anthem in the House of Commons.

The fact that unanimous consent was denied does not mean that the Liberal Party is opposed to the merits of the resolution. The fact that unanimous consent was denied only means that it was denied with respect to the process that the Reform Party is following to—

Some hon. members: Oh, oh.

The Speaker: That is enough now on this. The point has been made and I have heard interventions. We asked for the unanimous consent of the House and it was denied. I permitted two interventions which perhaps in hindsight might have been done at another time.

We are going to proceed now to the tabling of documents.

Ms. Clancy: Mr. Speaker, I would like to say on behalf of my constituents from Nova Scotia that those who came to Montreal on Friday and sang "O Canada" loud and clear—

Some hon. members: Oh, oh.

The Speaker: Tabling of documents, the hon. parliamentary secretary.

ROUTINE PROCEEDINGS

• (1510)

[*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 four petitions.

[*English*]

NATIONAL HOUSING ACT

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.) moved for leave to introduce Bill C–108, an act to amend the National Housing Act.

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

* * *

PETITIONS

INCOME TAX

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, this is a very important day for Canada which we all know includes Quebec.

Pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. The petition has been signed by a number of Canadians from Moose Jaw, Saskatchewan.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the chronically ill, the disabled or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CONTROLLED DRUGS AND SUBSTANCES ACT

The House resumed consideration of the motion that Bill C–7, an act respecting the control of certain drugs, their precursors

and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, be read the third time and passed.

The Speaker: The hon. member for Lambton—Middlesex has about 10 minutes left in her speech.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, the regulations made initially under the new legislation will not differ substantially from those that currently apply to such activities under the existing legislation.

One of the purposes of the regulation making power is to enable the government to respond quickly to changing professional practices. The flexibility provided by regulations will ensure the availability of such drugs for appropriate medical and scientific purposes while complying with international drug control conventions.

Any changes in the regulations will only be made following full consultation with all affected parties using a regulatory consultation process that has been used for years by the Department of Health. Both the official opposition and the Reform Party member suggested there would be inconsistencies between various provisions of the bill and the charter of rights and freedoms.

One of the aspects of the bill identified as giving rise to charter challenges relates to the powers of inspectors under part IV. Reference was made to the interim order provisions of section 34 which permit the Minister of Health to act to limit professional drug distribution activities where there is substantial risk of immediate danger to the health and safety of Canadians. In addition the requirement to answer an inspector's questions was equated with self-incrimination in a criminal context.

In reply the solicitor general pointed out to members that the Minister of Justice must examine every bill for compliance with the charter before it is tabled.

Inspections that we are referring to here are inspections conducted to determine whether regulated persons are complying with the requirements under which they carry on their business or their profession. There are many acts, both federal and provincial, which confer broad powers of entry on inspectors in the interest of ensuring public health and safety.

• (1515)

These provisions are not criminal law in the true sense but administrative provisions that either have an independent existence or are incidental to criminal law. The applicable charter principles are not those that apply to criminal law provisions but those that apply to administrative inspection regimens.

These types of provisions have been in force in Canada under federal drug control legislation for over 80 years. They effectively establish a federal regulatory scheme that governs the distribution and use of scheduled drugs in Canada in a manner consistent with limiting their diversion to the illicit drug market and consistent with Canada's international obligations under the United Nations drug control conventions currently in force in Canada.

Contraventions of designated regulations give rise to a hearing before an adjudicator as indicated in part V of the bill. It may result in a ministerial order which should effectively prevent a reoccurrence. No penalty of fine or imprisonment applies to a breach of these provisions of the regulations. Charter principles that would apply if imprisonment were available as a penalty are not applicable here.

Another area of criticism relates to the impact of the bill on physician-patient and pharmacist-patient confidentiality. Both members identified access to confidential files of patients as an unacceptable interference in the private lives of honest citizens. There is very little new here.

For over 30 years, under the narcotic control regulations the Minister of Health has exercised legislative authority to require a practitioner to provide any information concerning a patient treated with narcotics to the bureau of dangerous drugs, including the diagnosis, history and prescribing information relevant to the patient. This is the very information inspectors are being authorized to copy. Similarly, pharmacists are required to report prescriptions every two months to the bureau of dangerous drugs. Approximately 4.2 million prescriptions are reported to the bureau each year.

Subject to legitimate program activities required under the current and proposed legislation to protect public health and safety, physician-patient and pharmacist-patient confidentiality is and will be fully maintained. This information currently obtained is also subject to the Privacy Act, which prohibits its use or disclosure by any official except in accordance with that act. The Privacy Act ensures that all information collected by the federal government for program purposes is treated confidentially.

Concerning the so-called doctor shopping or double doctoring offence, the official opposition member cited evidence given by the Canadian Medical Association before the legislative committee which examined Bill C-85. It was argued that Bill C-7 would be unsatisfactory to doctors as they would be included within the ambit of clause 5(2). The Reform member asserted that this provision would mean that seeking help for an addiction would be a crime.

In fact the criticism was accepted by the committee and it was proposed that the provision be changed to essentially return to the existing section found in the Narcotic Control Act. As a result, the provision now refers only to persons who receive prescriptions from doctors.

The Reform member's comments are difficult to understand. Clause 5(2) of Bill C–7 as it now stands could not be applied to a person who goes in any one month to only one doctor for his medical requirements. This provision deals not with dependent persons seeking help, but rather with dependent persons who are seeking drugs from many doctors but help from none.

We all understand that control of controlled substances is a complex matter which requires a carefully constructed legal basis in order to be effective, judicious and fair. I believe this bill is a most appropriate instrument for the administration of the laws and regulations we need.

We are dealing with an aspect of society which demands proper protection of the innocent, the inexperienced and the vulnerable. It also demands forceful prosecution of the exploitive, the criminal and the ruthless.

I believe this bill strikes just the right balance between these two requirements.

• (1520)

While we continue to minimize harm through education and prevention, and while we continue to show compassion for victims through treatment and rehabilitation, we must also strike at the criminal heart of this problem. In passing this bill, we will be making contributions to successful battles against drug abuse now and well into the future.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I welcome the opportunity to speak on this bill today. This bill concerns controlling drugs and substances and addresses one of the most compelling issues with which society is faced today, the issue of drug abuse. Constituents in Erie riding have demanded action and this government has responded.

As each member of the House is only too aware, drug abuse and the untold suffering it causes knows no geography, no socioeconomic class, no social graces. The problem is widespread. It strikes hard and with devastation. It destroys families, careers and lives. We must stop this waste.

According to a United Nations survey, trade in illegal drugs is second only to world trade in arms. This is a very sobering fact. The incidence of drug abuse rises considerably among teenagers and young adults who are school drop outs, unemployed or homeless. Do not be fooled. This disease, this cancer is in our schools as well. Ask your children. Ask your grandchildren. It is truly frightening.

While recognizing that there is a need to emphasize demand reduction, it is important that the Government of Canada complement these efforts with drug law enforcement and crime prevention.

This bill is intended to consolidate, modernize, enhance and streamline the government's drug control policy underlying two current acts of Parliament and to fulfil Canada's obligations under three international conventions.

In 1961 the government of the day enacted the Narcotic Control Act as a follow up to the single convention on narcotic drugs. In anticipation of the 1971 convention on psychotropic substances, in 1961 and 1969, Parliament passed parts III and IV respectively of the Food and Drug Act. In essence, much of our existing legislation framework is now more than 30 years old and must be reviewed. It is for this reason among others that this legislation is necessary.

Furthermore, as a signatory to three international agreements on the illegal drug trade, Canada is obligated to the terms of the single convention on narcotic drugs of 1961, the 1971 convention on psychotropic substances and the relevant parts of the 1988 United Nations convention against illicit traffic in narcotic drugs and psychoactive substances.

Consequently, the controlled drugs and substances bill is designed to achieve three prime objectives. First is to provide the government with the flexibility required to better control the import, production, export, distribution and use of controlled substances. Second is to provide the mechanisms needed to implement our obligations under international agreements. This relates to the restricted production or trade of internationally regulated substances destined for medical, scientific and/or industrial purposes. Third is to enhance the ability of the police and the courts to enforce our laws.

The bill provides for the seizure and forfeiture of property used in offences involving controlled substances. It also allows for the restraint and forfeiture of fortified drug houses. The use of fortified drug houses for the purposes of drug trafficking is an increasing problem.

The houses are generally family dwellings that have been modified for use as centres for drug trafficking. They are veritable fortresses of crime. The houses are fortified by adding steel doors, boarding up windows and adding cement walls. In some instances, trap doors are used to exchange money and drugs so that there is no contact between the trafficker and the purchaser. The purpose for building such houses is to delay or prevent entry by police. During the extra time it takes the police to gain entry, any evidence of drug dealing is destroyed.

The existing Narcotic Control Act and the Food and Drugs Act do not effectively deal with emerging trends in drug abuse. We must be able to adapt to rapidly changing criminal activity. These trends see the appearance of new illicit or new designer drugs which can escape effective control under current law. Their methods, their tactics and their products are forever undergoing change. We must respond and quickly. We need

flexible legislation which allows those on the front lines of enforcement to adapt quickly to these new developments as they occur.

• (1525)

For example, one of the more recent developments in the drug underworld is the production and illicit sale of so–called designer drugs. Designer drugs are potent substances with chemical structures slightly different from substances presently controlled by the Food and Drugs Act and the Narcotic Control Act, substances such as stimulants, tranquillizers and pain killers. Yet these drugs affect abusers in similar ways and can lead to the same health and social problems produced by more conventional drugs. Much harm can result from the abuse of these drugs. Primary targets are often school age children.

The manufacture and sale of the designer drugs can be a very profitable business. Under the current Food and Drugs Act and the Narcotic Control Act drugs must first be listed on a schedule to the act. This regulates the conditions for the sale of that particular substance in Canada.

Only once a given substance is listed can it become an offence to sell it. To correct this deficiency the controlled drugs and substances bill proposes the inclusion of analogues to cover these substances. Analogues are non–listed substances that have highly similar chemical structures to those of listed substances. Under the proposed act new illicit drugs appearing on the street which fit this description will be covered automatically.

The bill also permits the control of precursors. Precursors are chemical substances used to produce controlled substances. New provisions contained in the bill will enable authorities to regulate the import and export of these substances.

Other sources of drugs sold on the street are substances intended for medical or scientific use. They may be stolen from a hospital, obtained through illegal prescriptions, secured by obtaining numerous prescriptions from different doctors for the same ailment or via a forged prescription.

People who deal in diverted pharmaceutical drugs are collecting very large profits. This bill enhances present controls that deal with this issue. Under this bill the monitoring of the distribution of drugs will continue.

We know there exists a criminal element which is using more and more sophisticated networks to illegally produce, sell, export and import controlled substances in Canada. These people buy property and consumer goods to further their criminal activities and bolster their personal wealth. As I see it such people should be prevented from retaining illegally obtained capital and goods.

The bill before us today in tandem with the proceeds of crime legislation strikes at the heart of criminal enterprises. Together the legislation will enable the courts to strip criminals of profits and property illegally amassed through drug dealing. Traffickers will no longer be able to flaunt their Rolex watches, fancy cars and mansions, flashy boats and planes, and rightfully so.

Trends in illegal production, distribution and use of controlled substances change frequently and quickly. This bill is designed to deal with current problems and to anticipate future needs. This bill proposes a significant strengthening of our current legislative framework.

Nonetheless I believe this bill merits the support of all members on all sides of the House. Given what is at stake, I submit Canadians expect no less of us.

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, it is my pleasure today to speak on Bill C–7, the controlled drugs and substances bill. I would like to discuss for a few moments the rationale for this legislation, in effect why Canada needs this bill and why the government is appealing to members of this House to support it.

The current situation the world faces regarding illicit drugs is unsettling. The problem of addiction and those who profit by addiction troubles the nation. It troubles my constituents and speaking as one who is elected to represent those same constituents, it troubles me. The bill is a major contribution to effective law enforcement and prosecution of offenders as it consolidates, enhances and modernizes current drug legislation.

• (1530)

It is true in many communities that there has been some decline in drug abuse among the general population but there are also some distressing trends. Some abusers are taking much more potent drugs and the results are very harmful. Others are using drugs in very dangerous combinations.

There has been continuing inclination by youngsters to adopt the dangerous practice of taking anabolic steroids to try to build up their bodies. Unfortunately, prompted by constant and uncritical coverage in the media, uninformed people have come to abuse the drug without thinking of the consequences and equally unfortunately dealers have responded to this new demand.

Abuse has now spread to gymnasiums and high schools, putting at risk the health of young men and women. As is common in drug dealing, the anabolic steroids may be adulterated, raising the risk even higher.

The bill is designed to provide the government with improved means to prosecute people who deal illegally in anabolic steroids. It furnishes a framework to target purveyors of poison, the drug dealers who are the instruments of destruction of too many young citizens.

Despite a gradual decline in the abuse of most drugs, there are several alarming trends emerging on the horizon. Many drugs which are abused today are extremely potent with more potentially damaging consequences. Abusers are consuming drugs by much more dangerous means and they are using drugs in more dangerous combinations.

There is a growing frustration among law enforcement officials, community leaders from across the nation and Canadians in general. They are calling on provincial governments and the Government of Canada to assign a higher priority to dealing with drug abuse and its costly impact. Demands are being made for more severe sentences, a streamlining of the judicial system and assignment of the proceeds of drug crimes to help finance education and enforcement programs.

Court delays and complexities of administering the law have only helped to fuel the public's growing concern. Some law enforcement agencies have declared that the costs of enforcing the law against drug dealers have become high.

The government recognizes that these concerns require deliberate and sustained action, including combating the evil of addiction on three fronts: education and prevention, treatment and rehabilitation, and enforcement and control.

Bill C–7 corrects the deficiencies of existing drug control legislation. It encompasses all listed substances and declares them illegal for other than legitimate medical, scientific or industrial use.

In conjunction with the proceeds of crime legislation adopted in 1988 and proclaimed on January 1, 1989, the bill will empower the courts with the right to confiscate all property and capital accumulated as a result of or used in the commission of drug related crimes. This will provide police forces and the judiciary with the tools they need in a manner consistent with the charter of rights.

With the bill Canada will fulfil its international obligations found under the 1961 single convention on narcotic drugs, the 1971 convention of psychotropic substances and an international treaty governing the trade of illicit drugs.

The proposed bill can become an effective instrument in enforcing the law and controlling the import, export, production, sale, distribution and possession of illegal drugs. The bill seeks to update, enhance and consolidate a section of the Food and Drug Act and the Narcotic Control Act, both passed long ago in the sixties.

While the whims and wants of society have become more and more sophisticated since that time, unfortunately so has the network of drug producers and dealers.

• (1535)

The bill is designed to correct certain anomalies and shortcomings in our current law. In so doing it will enable law enforcement agencies to deal more effectively with a cunning, determined and resourceful adversary, the dealer in illicit drugs.

The new main provisions of the bill include controls on the import and export of precursor chemicals used by drug manufacturers. These chemicals include substances, usually not themselves psychoactive, which criminals can change easily into illicit drugs.

The bill also provides for provisions to control the production, sale, distribution, import and export of androgenic–anabolic steroids; provisions to control the possession, production, distribution, sale, import and export of designer drugs developed by dealers for the purpose of evading current laws; provisions to search, seize and have forfeited property used or intended for the purpose of committing drug offences, also known as offence related property including fortified drug houses.

The bill also includes a complete scheme for obtaining search and seizure warrants; the expansion of offences concepts relating to trafficking and production; the enhancement of control over disposal of controlled substances including forfeiture; new provisions to control the possession, production, distribution, sale, import and export of designer drugs; provisions which will facilitate Canada's commitments under the international conventions; and treatment by the courts of drug dealing in and around schools and other public places frequented by children and dealing drugs to minors as aggravating factors at the time of sentencing.

The principal purposes of the bill are to provide one comprehensive act for the drug control policy of the government and to provide for the enforcement and control aspects of Canada's drug strategy.

I will review briefly the seven principal parts of the bill as well as the introduction. Part I sets out the offences and punishment commensurate with breaking the proposed new law. The particular offences may include possession, trafficking, importing and exporting, production, possession of property obtained as a result of certain offences, and the laundering of proceeds obtained as a result of certain offences.

Part I also sets out specific aggravating factors to be considered by the court at the time of sentencing. These are directed particularly at drug dealers who target children, those who use weapons and violence, as well as those who have previous drug related convictions. This part also included a purpose clause dealing with sentences and, more particular, encouraging rehabilitation and treatment in appropriate circumstances.

Part II deals with enforcement of the proposed act by police. This includes provisions relating to search, seizure and deten-

tion of property or illegal substances, forfeiture of offence related property, as well as a complete scheme for protecting innocent third party rights over such property and forfeiture of proceeds of drug related crimes.

Part III outlines procedures for disposal of controlled substances. Part IV covers administration and compliance.

There are seven parts to the bill and its most important provision is that it moves Canada 30 years in time from the sixties to the nineties. It codifies and empowers police while at the same time it protects citizens. It gives us a Controlled Drugs and Substances Act that has merit and is enforceable.

The Speaker: Notice was given to another Speaker and I was just given a paper indicating that the member for Oakville—Milton is splitting her time with the hon. Parliamentary Secretary to the Prime Minister. The parliamentary secretary has approximately 9.5 minutes.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise to speak on Bill C–7, a bill in which many in Etobicoke—Lakeshore have an interest. I am talking about individuals who work in the areas of education, prevention, rehabilitation, treatment, enforcement and control. Those individuals are very interested in the general types of control substances outlined in Bill C–7.

• (1540)

Narcotics are covered under the Narcotic Control Act, as well as some from the 1961 single convention. Examples of drugs in this group are cocaine, opium, codeine, morphine and marijuana. Controlled drugs, as defined under the Food and Drugs Act, are stimulants such as amphetamines and sedatives such as barbituric acid. Restricted drugs come under the Food and Drugs Act, the so–called designer drugs, as well as the anabolic steroids, the precursors and the drugs from the 1971 convention on psychotropic substances.

The majority of the substances are diverted from legitimate manufacturers and then illegally imported and sold. Until recently dealers have been able to sell the steroids at up to 20 times their prescription value with little risk of getting caught.

The amendments to the Food and Drugs Act and its appended regulations contained in the bill have resulted in 42 androgenic–anabolic steroids and their derivatives being classified as controlled drugs.

In the grim world of the effects of illicit drugs on the lives of abusers can be severe. This is the crux of my argument. If the effects on the lives of the abusers can be severe, the penalties proposed for convicted dealers in the most dangerous drugs should be severe. Sentences for the most serious offences of trafficking, importing or exporting narcotics remain life imprisonment in the bill.

We know that the specific provisions of the bill have been given the close scrutiny they deserve by a subcommittee on Bill C–7 of the Standing Committee on Health. I will comment on the work of that committee. Members heard from many national groups and associations representing a community of thousands of people, as well as officials from the departments of health and justice.

I will quickly list some of the groups that made representations before the committee: the Canadian Medical Association, the Canadian Pharmaceutical Association, the Canadian Association of Chiefs of Police, the Royal Canadian Mounted Police, the Canadian Centre on Substance Abuse, the Department of Public Health, the city of Toronto, the Addiction Research Foundation, the Canadian Bar Association, the Canadian Foundation for Drug Policy, Lambton Families in Action for Drug Education, the Quebec Bar Association and the Criminal Lawyers Association, et cetera. Many groups appeared before the subcommittee.

The subcommittee fully addressed each and every concern with the intent of improving the bill before us today. Several amendments were made at committee stage. Some particular issues of discussion resulted in amendment. The main amendments to Bill C–7 are the ones in which my constituents are interested.

The amendments create a new offence for possession of marijuana and hashish involving certain quantities. They create a new offence for trafficking in marijuana and hashish in certain quantities. They provide for a purpose clause dealing with sentences and, more particular, they encourage rehabilitation and treatment in appropriate circumstances.

The aggravated circumstances section has been expanded to cover in or near public places usually frequented by minors. This means that when an offender has been convicted in those circumstances a judge will have to give reasons for not imposing a jail term.

The amendments will delete subsection 3(1), which was meant to cover non–scheduled substances having or presented as having the same effect as scheduled substances. There were some apprehensions among other things that it might cover herbal products.

At the same time there is a limit on the ability of inspectors to examine the records so that they may not examine the records pertaining to the medical condition of patients.

• (1545)

The bill clarifies those situations where a practitioner would be considered to be trafficking by providing that unless authorized by the regulations it will be illegal to sell a prescription to obtain a scheduled substance. Several things have been done and several amendments have been made to the original Bill C–7.

I am confident that the current situation facing Canada today as it relates to drug abuse will prompt each member of this place to consider the facts in his or her own constituency, to reflect on the implications for the future and to respond accordingly by supporting this bill.

Through education and prevention we must continue to inform our young people, alerting them to the seductive snares of addiction. Through rehabilitation and treatment we must reach out and free those already trapped in the nightmare of dependence and desolation. Through enforcement and control we must strive to disinter the roots of those criminal enterprises that prey on the young and defenceless, those who otherwise risk being enticed into a never ending cycle of addiction and deprivation.

The bill gives the police new authority without giving them sweeping authority. It gives us greater power to prevent dangerous substances from entering the country. It gives us the tools to help ensure that justly prosecuted criminals do not benefit from their crimes.

I submit that passage of the controlled drugs and substances bill is but one step toward a healthier and safer tomorrow. It is nonetheless a very important step in the right direction. I urge all members from all sides of this House to give this bill the scrutiny it richly deserves. Anything less would be an abdication of our responsibility.

Let us pass this bill so the government can get on with its mandate to protect and promote the health of Canadians in a way consistent with what we have a right to expect. I call on everyone to support this.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I have listened to some excellent presentations today on Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof.

On balance I find myself in support of all the concerns raised. Members have pointed out some of the highlights of this legislation and its attractiveness. As the previous speaker has just mentioned, it is one step toward a healthier and safer tomorrow. On that there is no question.

However it does pose a more fundamental issue. Yes, this bill takes some steps to fight drug dealers in their pushing of illicit drugs and illicit substances of all kinds. Some time or other we have to have a debate that asks why so many people, particularly young people, are attracted by these illicit substances. What is it about their lives and the way they view the world that makes abusive substances such an attractive option? What are the causes of drug abuse? What are the causes that enable drug dealers and drug pushers to make such lucrative incomes in our country? That is the debate that is absent here.

If we believe that passing legislation and getting tougher on drug dealers is going to solve this problem, we have to admit that it will not. Yes, indeed it is a step closer. Yes, we have to get tougher. I particularly like the section of the bill that refers to those traffickers and so on who are trafficking illicit substances in or near a school, on or near school grounds, or in or near any other public place usually frequented by persons under the age of 18 years.

To say that those convicted who have been pushing their illicit drugs in and around schools will obviously receive a harsher sentence is an excellent start. However I do have to say that until Parliament starts addressing the fundamental causes of drug abuse it is not going to solve the problem. I do not think we want to feel too good about ourselves, that passing this legislation is going to be a major step toward the elimination or reduction of the use of illicit drugs. As the previous speaker said, and I think very accurately, it is a small step in the right direction.

• (1550)

I have two concerns about this legislation. One is the fact that once again we missed the opportunity to deal more effectively with marijuana and the use of marijuana. We all appreciate that this legislation began under the previous Mulroney administration and was brought forward by this administration with very few amendments at that point.

At that point one of the hopes a lot of people had, particularly those involved with the court system and with the real world of illicit drugs and substances on our streets, was the possibility that marijuana would not be listed in the same penalty class as heroin and cocaine, that perhaps now was the time to follow the call from the police and so on in terms of the decriminalization of this substance. I am not saying the legalization; I am talking about the decriminalization.

Alas, Bill C–7 continues the tradition of treating marijuana possession as a criminal offence. All of us have known probably on a personal basis friends and constituents who now possess criminal records for having had in their possession a small amount of marijuana. They are lumped into the same category in many cases with cocaine dealers and that problem element in our society. This was a missed opportunity.

I want to make a few comments about the herbal remedies that were once a major part of this legislation. It is fair to say that increasingly Canadians are turning away from traditional medical systems and sources to more natural ways. The herbalists are coming into their element and coming into their time. People realize that many of the substances we use in the traditional pharmaceutical way are in fact derivatives of natural substances. Increasingly today physicians will say that many Canadians are taking advantage of natural herbs to solve some of their medical problems.

The lobbying that went on by those involved in herbal medicine was quite astounding. I suspect all of us received numerous petitions, letters and visits from people who were concerned that this legislation in its previous state would have eliminated a whole set of possibilities that herbalists were using. I particularly refer as an example to Natural Way Herbs, headed up by Mr. Jim Strauss and his son, who led a tremendous campaign from the western part of Canada to point out to parliamentarians that many of the substances that were being eliminated under this legislation were in fact being used very successfully today to resolve people's medical problems.

I am aware in a personal way of dozens and dozens of people who found the traditional, if you like, medical approach to their illnesses and physical problems were failing and yet found the solution in the use of natural herbs. I thank Mr. Jim Strauss and his son, seventh generation herbalists, for the contribution they make to their community and their patients. As a result of much of this positive lobbying, the herbal remedies continue to be regulated by the Food and Drugs Act. That was a good change in this legislation.

I will leave it at that. It is appropriate that we get on with this legislation. For those two reasons, I will oppose the legislation. That is not to say that there are not a whole set of very positive elements in the legislation. I want to acknowledge that. However, the hassle the natural herbalists experience today is partly as a result of lobbying by the traditional health care system and the international pharmaceutical companies. We have to be aware that there is a holistic approach to solving medical problems and that the natural way, the use of natural herbs, is one way. We ought to be taking more steps to encourage that as opposed to hindering it.

• (1555)

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I would like to respond briefly to the two very important points the hon. member just made. One had to do with herbal remedies. It was the last one so I will deal with it first. I will be very quick.

There was never anything in Bill C–7 that impacted on the use of herbal remedies in health food stores. That was disinformation and misinformation, whichever way we want to look at it. The sale of herbal remedies in health food stores is dealt with in parts I and II of the Food and Drugs Act. This bill only deals with parts III and IV, so it never was going to impact on it. We removed that whole section because of so much disinformation and so much concern. We thought if we struck that whole clause it would in fact allay these fears.

The second point the hon. member made was regarding the cause of young people using drugs. That is such a multifactorial question. It deals with so many other issues. As a result of that and as as result of looking toward that kind of broader prevention and long term strategy, the hon. member should know that a recommendation came out of subcommittee to the Minister of Health asking that Canada's complete drug strategy be reviewed. This is obviously going to deal with some of those issues.

I would be distressed if I thought the hon. member would withhold voting on what is a very important, creative and progressive bill for two reasons that actually I hope I have answered to his satisfaction, one of which will be dealt with and the other of which never existed at all.

Mr. Riis: Mr. Speaker, I appreciate the member's response to my latter issue and I accept what she says as being accurate. Disinformation was prevalent across the country and caused undue alarm to a lot people unnecessarily. I am pleased she has pointed out how that was dealt with. However, I do not accept quite so easily her latter comments that there has been a recommendation to have a broader approach to combating drug abuse in our country.

Perhaps the record will show that this is the crucible where critical debate takes place in Canada. This is the centre where government and on occasion opposition members through opposition days and perhaps even private members' initiatives bring forward the issues we feel are important. By and large, we acknowledge that the government sets the agenda for most of what goes on in this House. However, I do not recall in all my years in Parliament ever having a debate on the fundamental causes of substance abuse in our country. In other words, yes, debate takes place on specific pieces of legislation, but I am talking about the fundamental causes of drug abuse, like poor housing and educational opportunities. We all know the causes as opposed to the symptoms.

I appreciate what my hon. friend is saying. I do look forward to a time when we say to ourselves in this country that passing legislation, imposing stiffer sentences and getting tough on drug dealers is only a small step to resolving the growing substance abuse in our country.

I was disturbed recently when I was visiting a number of junior high schools in the constituency of Kamloops. After the formal talks and presentations I arranged a lunch get together with students who were interested in talking about issues. In every high school concerned students raised the matter of drug abuse in their schools. These were junior high schools, not senior high schools. Their views were that large percentages of the students were becoming regular drug users, and of course cigarette use was leading this initiative.

As parliamentarians, all of us are concerned about this issue. Are we doing anything to come to grips with the fundamental causes of this growing use of drugs in our society? I think not. As a matter of fact, if I were going to be truthful with myself today I would say that we are taking a number of steps that will enhance drug abuse in the future, will make life more miserable for more Canadians, tougher for more Canadians and will

abandon more young people as a result of policies that are being considered or brought forward in these times.

• (1600)

I appreciate the minister's intervention but perhaps in six months we will look at the record of Parliament and ask ourselves how much time we spent as elected representatives dealing with the fundamental causes of drug abuse in our country.

That is the way we will measure whether we are taking this seriously.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the parliamentary secretary answered the first two items. I simply advise the member that under the three international conventions to which Canada is a party and to which Bill C–7 addresses the problem we have with, for instance, benzodiazepines, it is required that simple possession and use of marijuana remain a criminal offence. This is not an option for Canada in terms of opting out, as the member might suggest.

We did not miss an opportunity. What we did was bring our legislation into line with the requirements of the international conventions to which Canada is a party.

With regard to the attitude, I agree with the member. There is no question we have to look for every opportunity. Our national drug strategy spends 70 per cent of the moneys available to it on rehabilitation, treatment and prevention programs, most of which, as with regard to tobacco, is directed at our young people, those most susceptible to these problems.

I agree with the member that there should be a review. Our subcommittee, of which I was the chair, has recommended to the Standing Committee on Health and to the minister that a comprehensive review of Canada's drug policy and our overall drug strategy be conducted.

Mr. Riis: Mr. Speaker, I appreciate the intervention by my hon. friend. I accept gratefully the comments he has made.

A number of major initiatives have been taken as a result of our relatively comprehensive drug strategy. Let us also acknowledge that as a result of the transfer payment reductions now being imposed on the provinces, many of the programs they have in place will have to be curtailed or abandoned as a result.

On one hand we might be expanding and on the other hand we are making it more difficult for provincial jurisdictions to continue their programs.

I quote the Prime Minister when he was the justice minister in Pierre Trudeau's government in 1980, referring to marijuana decriminalization: "It is our intention to bring about changes which will serve to lessen the severity of penalties for possession of this substance".

Granted my friend has said what is true, but in 1980. This legislation does not do that. It continues with the same penalties we have had in the past.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am distressed to hear the hon. member make the statements he did because I agree in every way with what he has said with regard to young people and the use of drugs.

As a family physician, I can tell members that nothing has been of greater concern and has caused me more pain over my 25 years of practice. Voting against this bill would serve neither of the hon. member's objectives. It will really be throwing the baby out with the bath water.

See this bill as a scaffold. See the recommendation the committee made to review this strategy as an open door to make very important changes that will be necessary. This is a springboard. It may not be all that he does, but voting against the bill will certainly throw away the opportunity.

Mr. Riis: Mr. Speaker, I have been here for a few years and I have heard the same comments time and again that in dealing with major problems facing our country this is a tiny baby step in the right direction.

This issue inflicts so much pain on so many people and on so many families, that not to do whatever possible to combat this is perhaps questionable in terms of our work here.

I do not take these slight steps in the right direction with much enthusiasm but I accept that what she is saying is accurate.

• (1605)

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, it gives me great pleasure to speak today on Bill C–7, the Controlled Drugs and Substances Act.

Bill C–7 consolidates and supplements the Narcotics Control Act and parts III and IV of the Food and Drugs Act. It combines a regulatory scheme for drugs used in medicine with the criminal law regime for illicit substances.

The bill is a reintroduction of Bill C–85, the Psychoactive Substance Control Act, introduced by the Conservative government in the previous Parliament. Bill C–85 died on the Order Paper in the last Parliament due to the election call. While it was reintroduced into this Parliament by the Minister of Health, aspects of it fall under the concerns of the Department of Justice and the Solicitor General of Canada.

One main object of the bill as originally conceived was to bring our drug laws into conformity with provisions in certain international agreements we had signed. These agreements

include the Single Convention on Narcotic Drugs, 1961, the Convention on Psychotropic Substances, 1971, and the relevant portions of the United Nations convention against illicit traffic in narcotic drugs and psychotropic substances, 1988.

In keeping with the spirit of these instruments, Bill C–7 adopted an interdiction and criminalization approach to the production, traffic and the possession and use of illicit substances.

The legislation was also supposed to cohere with Canada's drug strategy which had been unveiled in May 1987. The key object of the drug strategy is to reduce harm to individuals, families and communities caused by alcohol and other drugs. Canada's drug strategy was designed to place greater emphasis on reducing demand for illicit substances through prevention, education and drug treatment programs instead of relying solely on the interdiction efforts of police and penal institutions for the reduction of the supply of illicit drugs.

In contrast to these methods, harm reduction seeks to reduce the harm caused by those who have a problem with substance abuse, including harm done to themselves, to their families and to other persons. It takes a public health approach to the problem of drug abuse rather than a moralistic, punitive one which views such abuse as criminal in and of itself.

The bill passed second reading and was sent to a subcommittee of the Standing Committee of Health in April last year. As members will recall, the red book promised us that MPs would be given a greater role in drafting legislation through their work on House of Commons committees. The work done on Bill C–7 by the subcommittee chaired by the member for Mississauga South and the participation of other parliamentarians in making significant changes to the bill despite its having passed second reading is a perfect example of this commitment put into action.

Officials from the Departments of Health and Justice have explained that the bill was a consolidation of existing legislation and that the changes it contained were required to fulfil the international agreements we had signed. They emphasized that our international partners were exerting pressure on us to pass this legislation.

As the subcommittee analyzed the bill more closely and listened to the arguments of witnesses a variety of issues began to emerge. Although there was not a single unanimous view, nonetheless members of each of the three parties expressed similar concerns about the substance of the bill, as did other parliamentarians including me.

As many Liberals see it, Canada's approach to illegal drugs has required adjustment for some time. At different times the Liberal Party of Canada has in non–binding party resolutions advocated certain fundamental changes to our drug policies. To simply consolidate and thereby reaffirm existing approaches to drugs would be to miss an important opportunity to effect modern rational policies on drugs.

What were the concerns some had with the original Bill C–7? Bill C–7 is a complex piece of legislation. In my view the following were among the most important concerns. First, the bill lacked provisions for rehabilitation and treatment options for sentencing as an alternative to incarceration or fines. Second, the bill categorized illicit substances according to outdated schedules.

Third, the bill reaffirmed lengthy maximum prison terms and increased the fines for the simple possession of cannabis in contrast to current court practices and evolved societal attitudes.

Fourth, Bill C–7 included a deeming provision for illicit substances which seemed to us to contradict the fundamental legal principle that conduct subject to criminal sanction should be specified clearly in acts.

Let us deal with these concerns. First, the bill lacked provisions for rehabilitation and treatment options for sentencing as an alternative to incarceration and fines. Many members felt Bill C–7, drafted under the lead of the Department of Health, did not squarely address the public health dimensions of the illicit drug problem. Among experts in public health and addiction research, the consensus has emerged in recent years which emphasizes a strategy called harm reduction. It emphasizes the broader reduction of harms to society caused by illegal drug use, as well as by inappropriate institutional responses to drug problems.

• (1610)

As the experts know, a harm reduction approach seeks to reduce the harm caused by those who have a problem with substance abuse, including harm done to themselves, to their families and to other persons. It evaluates strategies for dealing with illicit substances in part by situating them within the context of substance abuse generally, including that of alcohol and tobacco. A less ideological perspective on the problem begins with honest epidemiological comparisons to strategies for dealing with such legal and potentially very dangerous substances.

Harm reduction initiatives include needle exchange programs, methadone treatment, counselling and rehabilitation efforts. Education efforts which stress the health risks associated with legal and illegal drug use are also important in the prevention of drug dependencies or addictions.

I contrast this approach with what I would call prohibitionism. One treats the consumption of drugs as a moral evil where criminal sanction is seen as the only appropriate response. Rather than recognizing the users of illicit substances as endangering their health and taking appropriate steps to help them, the prohibitionist perspective would treat them solely as criminals

who require the threat of criminal penalties and a criminal record to deter them from such behaviour.

Were this an effective approach, the United States with its heavy emphasis on interdiction and punishment would be nearly drug free by now. As we know, the number of prisoners in jail for drug offences in that country continues to grow with little sign of any stemming of the insidious drug trade or the use of illegal drugs.

Despite being part of Canada's drug strategy which emphasizes harm reduction as its primary goal, Bill C–7 in its original form did not mention or encourage judges to consider rehabilitation or treatment as alternatives to fines or incarceration for those convicted of possession of illicit substances. This was a concern now remedied.

Criminal sanctions should not be our only tool for dealing with illicit drugs or for changing the habits of persons who are addicted or at risk of drug addiction. Prohibitionism toward drug users on its own arguably inflicts greater harms on individuals and families than the harms it purports to prevent. We should also bear in mind the far greater number of deaths and amounts of disease associated each year with the use of such legal drugs as tobacco and alcohol. In my opinion the sums and energies we expend in fighting the use of illicit drugs should be allocated with due regard for their overall impact on population health.

Wisely and responsibly, the government has amended Bill C–7 to include a clause that addresses rehabilitation. Clause 11(1) declares: "The fundamental purpose of any sentence for an offence arising under part I is to contribute to respect for law and the maintenance of a just, peaceful and safe society, while encouraging rehabilitation and treatment in appropriate circumstances of offenders and acknowledging the harm done to victims and to the community".

The second concern I raised was that the bill categorized illicit substances according to outdated schedules. No one would dispute our drug policy must be reflective of current scientific knowledge. The parliamentary committee repeatedly stressed the schedules proposed in Bill C–7 are outdated. This was put forward by witnesses. While they are housed in the 1971 UN convention, their arrangement derives from public policies of the 1920s when policy makers knew relatively little science about the nature, the effects and the potential for societal harm posed by these drugs.

The most serious example of the lack of pharmacology reflected in the schedules was the placement of cannabis in the schedule I of the UN convention. Schedule I is supposed to be reserved for the most socially harmful drugs such as morphine, heroin and opium.

Heavy regular use of cannabis can certainly sap motivation and affect short term memory. Many will contend that while it may be carcinogenic, the risks of the light use of cannabis do not appear to be significantly worse than those associated with moderate use of legal substances like alcohol. While we have heard calls from some for decriminalization, in my opinion dependency on marijuana should be strongly discouraged. Nonetheless, the drug schedules used in Canada should reflect the best scientific knowledge we possess. We should not be obligated to accept outdated schedules.

In response to the concerns raised, the bill has been amended to incorporate an additional schedule, I(i), which deals exclusively with cannabis and its derivatives. Read together with the new penalty provisions which I shall discuss next, this amendment takes cannabis out of the company of far more deleterious drugs like heroin and cocaine while keeping it within the realm of the Criminal Code. In a minute I will also discuss the international schedules and our response to that issue.

• (1615)

The third concern with the original Bill C–7 was it reaffirmed maximum prison terms and increased the fines for the simple possession of cannabis, in contrast to current court practices and involved societal attitudes.

Should pot smokers have the threat of a lengthy jail term hanging over their heads? Is this the best way to discourage use? Does it make Canada safer? Does it make it healthier?

As originally drafted, Bill C–7 retained a maximum penalty of seven years for simple possession of cannabis. It doubled the fine for a first offence and more than doubled it for a second offence. These maximum penalties contrasted with what is generally now meted out by Canadian courts for a first time offence, which is usually a small fine and sometimes an absolute discharge.

It is estimated that we charge over 40,000 people a year with simple possession of cannabis, a costly burden on the court and the police systems. This represents approximately 3 per cent of the estimated over one million regular cannabis users in Canada.

Further, while 3 per cent of those charged will face incarceration, over half a million Canadians have criminal records because of cannabis convictions. These people can apply for pardons in due course, but the convictions they have can be a serious hindrance to employability and for travel. Penalties tend to vary with different police officers, the judges, the regions of the country and the socioeconomic status of the accused. Would that it were not so, but it is true.

In many communities across Canada, the courts, the legal profession, the police on the beat and the average person do not appear to view cannabis possession as meriting the severe penalties set out for it in existing law. Reaffirming these penalties would effectively express our legislator's faith in the existing penalty structure. What signals should such reaffirmations send to our courts? When law lags behind court practices

and societal attitudes and such laws come up for review, the laws must be adjusted, not reaffirmed.

Penalties for offences under the act should be proportionate to the social and personal harm they entail. In keeping with this principle, the bill has been amended to incorporate a new schedule which establishes threshold amounts of cannabis for the offence of simple possession. Persons charged with possession of lesser amounts will be subject only to summary conviction proceedings, with a correspondingly lower range of penalties. This is still a criminal conviction and I stress this. However, in those cases involving the lesser amounts with simple possession charges, there will not be fingerprinting, there will not be photography or entering into a CPIC system for tracing purposes.

By reducing penalties and recommending treatment and rehabilitation alternatives in Bill C–7, we send a clear signal to the courts encouraging them to pursue the available harm reduction avenues.

The fourth concern I originally mentioned, that the bill as originally drafted included a deeming provision for illicit substances, appears to contradict the fundamental legal principle that conduct subject to criminal sanction should be specified clearly in acts.

The deeming provision in Bill C–7 allowed new, previously unscheduled substances to be deemed by regulators to belong to a particular schedule and the attached penalty provisions to come into force at that point. The bill would have extended a definition of controlled substances and their analogues beyond drugs cited in the schedules to such drugs as were deemed by regulators to have an effect substantially similar to, or greater than, schedule substances.

Using this provision, the government would thus have been able to adopt regulations to control, govern and limit the use of as yet undesignated substances. This would be a significant departure from current provisions of the Narcotic Control Act and the Food and Drugs Act, the offences and associated punishments set out in these acts would apply only to such drugs as are specifically cited in the attached schedules. The purpose of this provision would be to allow regulators to respond quickly to the introduction of new so–called look alike drugs on our streets.

While this purpose is laudable, it has yet to be shown that this problem of undesignated drugs is out of control and in guarding against it, we must be careful not to trample on other fundamental legal principles. Citizens must know what the law is beforehand so that they can govern their behaviour accordingly. If something is illegal, then there must be a law saying so unambiguously. To declare *x* a crime after the fact is unacceptable.

Further, many consumers and vendors of natural health remedies expressed concern that this provision could allow regulators to declare these products included in restricted or banned schedules. This provision in fact only dealt with parts III and IV of the Food and Drugs Act and herbs have historically been covered by parts I and II. Accordingly, this provision has been deleted now as the amended act Bill C–7 by the government.

• (1620)

I have dwelt at some length on the substantial improvements that members were able to bring to this bill after second reading.

Most of my remarks have concerned the demand side of the drug equation. There is also the supply side to consider. Bill C–7 introduces three important measures to combat drug trafficking. First, it includes a provision whereby judges are required to take aggravating factors into account when sentencing. Written reasons will now be required of a judge who fails to impose a prison term in the presence of any one of a list of aggravating factors.

The court will be required to regard as aggravating factors: first, use of a weapon or use of threat of violence; second, trafficking on school grounds or to a minor or in or near public places frequented by minors; third, any previous convictions of a drug offence; and fourth, using the services of a minor in the perpetration of a designated substance offence. It is anticipated and hoped these provisions will deter drug dealers from using weapons, threatening violence, selling to young people or recruiting their services.

Second, schedule V in Bill C–7 introduces the notion of precursor substances, adding them to the list of controlled substances. This innovation keeps us in line with our international obligations under the single convention on narcotic drugs, 1961 and the 1988 Vienna convention.

Precursors do not by themselves produce any psychotropics or psychoactive effect but can be converted or used to produce designer drugs, look alike drugs or scheduled substances. Regulations enacted to control the import and export of precursors would attempt thereby to thwart the production of psychoactive substances in Canada and elsewhere. Canada has become a conduit for these and we owe it to our international partners to put a stop to this.

Finally, Bill C–7 allows police to use reverse sting measures, that is selling quantities of drugs to dealers for the sake of making arrests. Under the regulations of the Narcotic Control Act police officers have been permitted to possess drugs as part of their undercover work but without legislative authority to sell. Quite reasonably they wish to have clarified that they are so permitted by including a clause exempting them from the criminal provisions of the new act. That has been done.

Legislation is an evolutionary process as it should be. I believe that Bill C–7, as amended, has come a long way. The subcommittee has also recommended that a comprehensive drug policy review be undertaken by a parliamentary committee. Further, there has also been a recommendation that a task force of experts be established to examine and redefine the criteria for the the scheduling of drugs. Thus Canada could be a leading force in the modernization of international drug scheduling.

Although I admit to not being an expert in these matters, I do know that it is the time to look forward to a drug policy appropriate to the 21st century, one that incorporates criminal law, enforcement, public health and modern societal attitudes.

I publicly commend our ministers, the subcommittee members and our colleagues in the House from all parties in the development of the bill as deliberated today and I will support it.

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, in listening to the remarks of the member for London West we see the excellence that is brought to the work of this Chamber.

I want to speak very briefly on the process rather than the substance of this bill. For me the bill personifies and represents everything that is good about what we said we would do when we came to this House.

The very low number it has, Bill C–7, should indicate to members that a considerable amount of time has elapsed between the time this bill was introduced and today. The reason for that is quite simple. We said when we campaigned in the election in 1993 that we would introduce processes that allowed backbench members to get involved in a hands on way with the drafting of important legislation, which is exactly what happened with this bill.

The members for Vancouver East, Beaches—Woodbine, Oakville—Milton, Fredericton—York—Sunbury, London West, Etobicoke—Lakeshore, Saint–Denis, Lachine—Lac Saint–Louis and many others spent hundreds of hours arguing through the articles of this bill. They were concerned. This bill is a holdover from the previous government. As many members have said, when they first heard the testimony they thought something was wrong, that the bill did not meet the test that we campaigned on.

Members of this House worked exceptionally hard with the full support of three ministers, the Minister of Justice, the Solicitor General of Canada and the Minister of Health. They struggled to improve the bill and have it reflect the principles and the values which our party brings to this House.

In so doing, we received tremendous support from staff in the various ministries. I want to single out an individual, Mr. Paul Genest, from our research bureau who put in all of those hours with each of these members as they thought through, argued through and worried about the details. It is not easy being a backbencher and approaching legislation in the face of a cadre of experts, lobbyists and in this case people from other countries who come in and said that the legislation must be written in a particular way to meet their particular needs. It took a long time. It took much thought. It took very hard work.

I believe we have produced legislation that will, as the member for London West has suggested, put Canada in the forefront of leading the war on drugs from a perspective of harm reduction and not simply following the U.S. model that was established earlier in the eighties under Ronald Reagan.

This whole process has been an exercise in excellence and one in which our caucus should be very proud. I want to thank those members on the staff and in this caucus who worked so hard to do what we said we would do when we came here and that is allow every member of this House a hand in drafting important legislation.

[*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.

(Motion agreed to, bill read the third time and passed.)

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I move:

That the House do now adjourn.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Deputy Speaker: Under our standing orders, the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 4.28 p.m.)

HOUSE OF COMMONS

Tuesday, October 31, 1995

The House met at 10 a.m.

Prayers

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 four petitions.

* * *

[*English*]

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on this first and new day for Canada I present a petition that has been circulating all across Canada. It has been signed by a number of Canadians from Uxbridge, Ontario.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

BOVINE GROWTH HORMONE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have three petitions this morning to present.

The first petition calls on the House of Commons to do an independent and transparent review of whether we should allow BGH, a synthetic bovine hormone, to be used in Canada.

JUSTICE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the second petition draws to the attention of the House that there is a problem with serious personal injury crimes being committed against people across Canada.

The petitioners call for a list of nine different things they would like to see the House of Commons address, including keeping dangerous sex offenders locked up for life, eliminating statutory release and so on.

I agree with my petitioners on that.

INDIAN AFFAIRS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the third petition calls on Parliament to go slowly on the negotiations with native land claims in British Columbia and turn the Indian reserves over to the bands in fee simple.

The Speaker: Just a gentle reminder that we need not agree or disagree with the petitions we present. We should simply present them and let them stand on their own.

MINING

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I have a petition from dozens of citizens in the metro Toronto area and small communities around Toronto expressing their support for the mining industry in Canada. Mining employs tens of thousands of Canadians and is an important part of the economic strength of the country.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS ACT

The House proceeded to the consideration of Bill C–102, an act to amend the Customs Act and the Customs Tariff and to make related and consequential amendments to other acts, as reported (with amendments) from the committee.

Hon. Christine Stewart (for the Minister of Finance) moved that the bill, as amended, be concurred in.

(Motion agreed to.)

The Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mrs. Stewart (for the Minister of Finance) moved that the bill be read the third time and passed.

• (1010)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I have the privilege of beginning the debate on Bill C–102 at third reading.

I also have the privilege of being the first member of the government to speak to the House of Commons after the rather monumental day we had yesterday. I welcome back all members who participated in the referendum. We will continue to debate the affairs of the country, as we have in the past, with the good spirit and dignity all members bring to the House.

Although we have felt very passionately and very differently in the last while about things, I expect we will continue to work together both in committee and in the House in the spirit of improvement during the coming months.

Before I get into the details of Bill C–102 I will discuss the efforts of the government, particularly the Minister of Finance and the Department of Finance. I will discuss the improvements we are making in the framework to deal with questions of tariff and trade.

In a general way governments have during the last 10 years endeavoured to change our relationship with our major trading partners. That resulted in the emergence of the free trade agreement, which was a bitterly contested piece of legislation, becoming law in 1988. In its original form it caused a great deal of dislocation in Canadian industry and trade. Since we have formed the government we have made some improvements to it and we now find it an effective framework for dealing in North American trade.

At the same time the less controversial agreement, NAFTA, which was as influential as the free trade agreement, came into effect and set out our trading relationship with Mexico.

More important, from a strategic point of view the underlying agreements around the world have changed in the last few years. I am referring to the World Trade Organization. Canada is now participating in a whole new regime which affects its trading relationships. It affects the way disputes are being adjudicated. It changes the specifics of tariff regimes on a whole number of commodities traded around the world. It is a giant step forward and Canada has played a leading role.

As Canada fights for its interest on the world trade stage, it continues to have a number of disputes with its trading partners and it must aggressively pursue its interests. I do not have to tell the House how frequently the minister of agriculture has had to defend and promote the interests of western Canadian grain farmers against, in the trade sense, parochial interests from the United States.

Similarly, the fur trade industry is threatened by new European regulations which will come into effect on January 1. The regulations will affect a large part of the fur export business. However, the Canadian government, under the leadership of the Minister for International Trade, has been very aggressive in pursuing changes to these regulations which will not only achieve the environmental and humane aspects of the fur trade business but also promote our access to markets.

We have suggested a number of worthwhile compromises. Leaders from Europe have visited Canada. They have visited our research stations. They have visited the north to speak with the aboriginal people involved in the fur trade.

• (1015)

In the end we are going to find ourselves with an agreement which is more acceptable to everyone. Failing that, we are willing to take the dispute to the World Trade Organization. Although not many cases have been made before it since its inception, this is a very strong case and we can promote it.

Returning to the ground level of the World Trade Organization, we are constantly going through our regulations and trade structure to make sure that our own rules and regulations conform to the international situation. For example, our tariffs have to be reviewed constantly.

There is a new trade structure in Canada for arbitrating among different industries. The CITT is an example of a trade tribunal which allows different industries to present their case as to what the levels of tariffs should be. This too is a new dispute mechanism which we think in the overall picture is a very important change. It gives the different sectors of the economy a chance to make a plea in front of a regulatory body instead of simply making a plea to the political leaders, which at times because of the specific interest and regional needs can be a very

difficult act for industries to get involved in. Everybody prefers the new tribunal to the old system. It is dealing with its first case and we will see how that proceeds.

Bill C–102 fits into the good government theme we have been pursuing since forming the government two years ago this month. The red book, the speech from the throne and the budget each year have promoted this good government theme. We believe we are bringing to Canadians changes that are necessary, essential and desired to make for a more effective and productive economy.

A number of the measures in Bill C–102 build on the government's review of Canada's tariff regime announced in the 1994 budget. They are designed to ensure that Canada remains a favourable location for producing goods for investment and also that Canadian businesses, including small businesses, are placed in a better position to profit from Canada's free trade agreements.

Certain amendments we put into this piece of legislation, for example, the enhancements to duty deferral programs and tariff reductions on manufacturing inputs, are designed to lower input costs for businesses and to maintain and enhance the competitiveness of Canadian businesses in Canadian and world markets. In addition, Bill C–102 provides for a number of technical changes to simplify, clarify and modernize the customs tariff and its administration and to make it easier and less costly for business to access tariff relief programs.

The amendments to facilitate the processing of travellers at the border will allow Revenue Canada to focus on other important border issues such as smuggling and the processing of growing commercial imports. I want to speak to that for a moment. One of the aggravations which has developed in Canada and U.S. trade is not among big corporations or even in our professional relationships but as individuals travelling back and forth.

It has been a long time since these regulations have been modernized. We are trying to achieve a threshold so that people returning from the United States, Europe, Asia, or from wherever they have travelled can bring back a reasonable amount of goods, taking into account what the prices really are around the world, without having to go through a lot of processing and trying to figure out how to cook the books and evade the law.

More important, for those people who conform to the law or who are regular travellers, new systems have been designed for them to cross the border without having the complication of constantly being checked and having to fill out forms. Those people are in the vast majority of Canadians who, when they travel back and forth between the United States and Canada, do so without complication and without any idea of trying to avoid the border crossings. Allowing them to go through quickly allows Revenue Canada without any increase in resources to concentrate on contraband and smuggling. The large movement of goods or services costs the Canadian economy money. They are illegal and we want to keep them out of the country.

• (1020)

These are productive changes which reinforce the message that good government is responsive to Canadians. Good government means providing an easy way for people to carry out their activities in accordance with the law at the same time creating a more effective police force to deal with those who are not conforming with the law.

These changes were first announced last June and have been well received at border crossings. Canadian businesses have not felt any undue hardship because of the increased limits for travellers. In the coming winter travel season Canadians will appreciate the ability to get across the border more quickly. We anticipate an increasing tourist industry for Canadians travelling abroad, but more important for people coming to Canada. It is incumbent upon us to make sure that people can come into this country easily.

Vancouver is emerging as a very important port in the cruise industry. We have done things to facilitate the movement of people into Vancouver and on to those ships without tying them up for hours at border crossings or causing unnecessary procedural delays.

I commend the Minister of National Revenue, who is from British Columbia, for many of these initiatives. He was very proud when the Prime Minister visited the Vancouver airport a couple of weeks ago. That visit by the Prime Minister showed that real progress has been made in the area of customs and customs administration.

I look forward to input from members of the House who have border crossings in their ridings on whether they now find the service more effective. As the service is extended from coast to coast over the next few years more and more Canadians will appreciate the changes being made by the Minister of National Revenue. He has the full support of the government. I again commend him on his initiatives and activities.

[*Translation*]

As hon. members may recall, this bill provides for important customs changes that will give Canadian businesses and individuals significant benefits on the long term.

These changes include the improvement of Canada's duty referral programs and the reduction of tariffs on a broad range of inputs. They will allow us to improve the competitiveness of Canadian industry by lowering the cost of inputs.

The proposed amendments will also update travellers' exemptions. Together with other measures proposed in this bill, this provision will facilitate the processing of travellers' applications and allow customs officers to focus on the real priorities such as processing the ever increasing number of trade imports and the fight against smuggling.

The bill also contains technical amendments that will make the customs system more effective. The customs value of imported goods is one of the most important changes in this regard.

[*English*]

The finance committee had a very good hearing last week. Several witnesses met with us and talked about questions of evaluation and answered questions on how to proceed with the law. Tariff is an obscure part of what we do, yet for many businesses and many professionals who specialize in tariff regulations it is at the heart of the way they do business. Witnesses came forward and told us that we should be doing some things in a different way. The government was very interested and listened to them.

• (1025)

The Canadian Manufacturers' Association had a dispute over how we were dealing with tariff relief on certain types of items. After a couple of years it was found that if the government decided that a particular item, for example a table in the manufacturing process, was not tariff free, a tariff could be retroactively applied. The committee broke at that point and national revenue officials went up to my office with officials from the Canadian Manufacturers' Association. Consequently, they came down with an amendment and changes were made.

That is an example of being very productive in the way we approach legislation. It is very respectful of the finance committee.

Under the leadership of the member for Willowdale, the finance committee has to deal with many different subjects. It is probably one of the busiest committees in the House of Commons. The areas under consideration can be very complex. For example, in the last two weeks we have had to deal with the tax treaty with the United States in Bill S–9. We have had to deal with tax treaties with other countries in Bill C–105. We have had to deal with measures from the budget in Bill C–90. We have had to deal with Bill C–103, which is the change in the Income Tax Act to deal with split runs, and we have had to deal with Bill C–102.

All of this shows the wide range of interests members on the committee have and their ability to respond relatively quickly to the needs of a minister, whether it is the finance minister, the national revenue minister, the minister of citizenship, or the heritage minister. We have had to respond very quickly and find out what the subject issues are.

When witnesses come forward and say to be careful, that we may be making a mistake, it is not taken lightly. As I alluded to a moment ago in the case mentioned earlier, changes were made on the spot when we saw that the association had a very good point.

One of the issues I wish to address is to make sure that the witnesses understood why we did what we did and why some changes were not made. The major amendment we introduced in committee was to reduce tariffs on manufacturing imports which would remove the competitive disadvantage that currently burdens Canadian manufacturers, since the U.S. tariff rates on average are lower than ours.

Another amendment enhanced, streamlined and consolidated Canada's duty deferral programs resulting in lower import costs for Canadian exports, easier access to programs by small and medium size business and the greater ability of Canadian regions to compete with U.S. free trade zones.

The most controversial area is the free trade zones. I will take a minute to explain what our strategy is because members opposite probably have local businesses, chambers of commerce, or whatever coming forward and saying they want a free trade zone. They want to have an area where economic activity can take place in a zone free from any taxes or taxes shared by others.

Free trade zones have emerged around the world as a very important tool in reducing costs for businesses in dealing with their markets. The Europeans have one in Amsterdam around the airport. The Americans have several. There has been a longstanding demand for a free trade zone in Canada.

Going back to the early 1960s, at least for the last 35 years we have made a number of efforts to target slow growth areas in this country and create some regional development programs. It goes back to the days of DRIE and DREE. There was also the tax credit which was eliminated last year. There have been a number of them.

The premise behind this is the isolation of slow growth areas from faster growing ones, or in the vocabulary of economists, it is red pencilling certain areas. We can isolate by census track those areas in greatest need. We can take the lowest 5 per cent and say that arbitrarily we are going to help everybody who lives in the lowest 5 per cent of the census track as judged by unemployment rates, industrialization and population size. There are many factors we can take into account. What we have found over the years is that the schemes have not been particularly effective. Despite 35 years of pretty extensive program-

ming and tax measures there has been limited success in attracting industries that are of long term benefit to a region.

• (1030)

Since we have formed the government the three regional development agencies we have, Western Economic Development, FORD–Q, and ACOA, have all changed their strategy as a result of the recognition of what I have just said, which is that many of our programs have been ineffective. This applies not only to the federal government but also to the provincial governments that are hesitant to get involved aggressively in regional development schemes which frequently do not work and cost the taxpayer a lot of money.

Having said that, we still have to find very effective ways to increase the capabilities of our industries for producing goods and transferring products from the Canadian market into our export markets, because that is our fastest growing area. Those who have been watching the economy very closely for the last 18 months know full well that the growth in our economy has come from exports and not from the domestic market. We still have a reluctant consumer. We have a very low demand on residential housing and commercial real estate is also slow. But we do have to our credit a very productive and fast growing export oriented industry which crosses several different sectors: manufacturing, agriculture, professional services and the automobile industry. We have been very effective in developing expertise that takes us around the world.

A number of cities have come to us, Calgary being one, as well as some suburbs just outside of Vancouver, Halifax and my own town of Winnipeg. They have told us that if we help them form a free trade zone they will create an atmosphere to increase exports, particularly into the American market. Winnipeg, through a new group called Winnport, has been very aggressively profiling Winnipeg as a transfer point from the European markets to Southeast Asia and into the United States. I wish the leaders in this campaign every success in achieving its new ambitions.

They have come to us and asked why we do not help them form a free trade zone. They ask us why we do not take the area around the Calgary or Winnipeg airports and create a zone that eliminates tariff barriers. In some cases in the United States this would eliminate labour laws and a whole number of regulations to make it easier to export to the United States.

We are very much interested in exports to the United States. However, at the federal government level we are preoccupied with enhancing the activities related to the export and not to the geographical region which goes back to what I said at the beginning. The regional development strategies where we delineate zones for special treatment tend to be counterproductive. If we take an area around an airport, what do we do with the exporter who is two blocks away? Do we want the exporter to take down his plant and move it, or do we want to move the zone over two blocks? If we move the zone two blocks, what about the architectural firm that happens to be three blocks away? Do we move the zone three blocks away?

We have said to the municipal governments that the local development authorities, the chambers of commerce, and the provincial governments that have come forward with different schemes should be organizing and stacking up the provincial and municipal programs they want. If they want as a municipal government to zone certain lands and create an industrial park to encourage exporters to move there and show them the benefit of being close to an airport or a truck route or whatever mode of transportation is important, they should go ahead.

What we are interested in is a tariff regime that makes it effective for exporters to get their goods out of Canada and into the United States. We will change the rules and regulations to make it as easy as possible for businesses to import the products, the goods and the services they are working with to make whatever it is they are exporting so they can get them to market with minimal intrusion by the federal government.

• (1035)

We think Bill C–102 goes a long way to accomplishing that goal. We believe that once this becomes law exporters will find themselves within a regime that makes it a much easier decision to get into export markets, a much easier decision to import certain inputs and to add value into export to the United States, Europe or Southeast Asia.

I must say we have deliberately decided not to get into free trade zones as traditionally defined at the local level but instead to tell people who come to us with proposals to do what they think has to be done in their local market and we will be there to support them through a national regime that will facilitate the activity, which will in turn create jobs and economic growth.

This returns us to one of the premises of our government, which is that good government means the production of jobs and the expansion of the economy. The heart and soul of this government rests on the jobs and economic growth strategy. We feel that Bill C–102 contributes directly to this.

The legislation also contains changes to improve the operation of the customs tariff and the Customs Act. One of the most important changes concerns the valuation provision of the Customs Act. This valuation provision was discussed by many witnesses before the finance committee last week.

It is essential that the rules for determining value for duty not be vulnerable to manipulation or abuse. Otherwise, both government revenues and fair competition would be put at risk. In this connection, Bill C–102 contains provisions that would clarify existing Canadian valuation policy. That policy is that the basis for duty and tax assessment on imported goods is the price payable by the Canadian purchaser. This is consistent with the thrust of the GATT–WTO valuation code and with NAFTA. Furthermore, the provision corrects problems that have also been identified and corrected by some of our major trading partners. These measures will ensure that Canadian producers

receive the full protection they are entitled to under Canadian legislation.

In going through the bill in more detail, I would like to begin with the enhancements to Canada's duty deferral program. Duty deferral programs defer or relieve custom duties on imported goods that are subsequently exported but are awaiting formal entry into Canada. Bill C–102 will enhance, streamline and consolidate Canada's existing duty deferral programs: duty drawback, inward processing and bonded warehousing. This is what I was speaking to a few minutes ago when I talked about our response to the free trade zone concept.

The results will be lower costs for Canada's exports, programs that are more easily accessible by small and medium size business and greater ability of Canadian regions to compete with U.S. free trade zones. This will help attract and keep investment in our country.

I would like to emphasize the changes are a result of extensive consultation with business and enjoy broad industry and regional support. I can attest that after consultations with us people in Winnipeg see more clearly what we are trying to do and how their plan fits in with our plans.

Related to the enhancement of duty deferral is a change to the Access to Information Act. This change would protect the confidentiality of taxpayer information provided by the importing community under the Customs Act, customs tariff and the Special Import Measures Act. This is very important for businesses dealing with us.

Most export sectors are very competitive. If individual manufacturers feel that the information about their companies is being shared, they will not participate. At the same time we desperately need their participation in order to have a better understanding of what is happening.

• (1040)

Another major amendment proposed in the legislation is a reduction of tariffs on a wide range of manufacturing inputs. The amendment is also directed toward the relief of customs duties on manufacturing inputs so that our producers can compete more effectively. This amendment will enhance the competitiveness of Canadian producers both at home and internationally.

In essence we will be removing the competitive disadvantage that currently burdens Canadian manufacturers vis–à–vis their American counterparts by reducing tariffs on some 1,500 tariff items covering manufacturing inputs to more competitive levels, generally to the levels seen in the United States. Since the United States is our major trading partner, we feel it is very important that our levels be consistent with their levels to maximize the competitive advantage of our industries.

The competitive problem is mitigated by the fact that exporters are entitled to receive full reimbursement of their input duties through duty drawback. However, as of January 1, 1996, existing duty drawback entitlements on exports to the U.S. will become more restricted under the NAFTA commitment. Therefore, to ensure that Canadian manufacturers enjoy the full benefit of Canada's free trade agreements we must bring our tariffs on imported inputs to more competitive levels. The 1,500 input tariff reductions I have referred to account for over $2.5 billion in dutiable trade.

Another important amendment is the increase in duty exemptions for Canadians travelling abroad. This is a simple updating measure, which brings Canada's exemptions into line with those of its major trading partners. The bill will raise the levels of exemption as follows: to $50 from $20 after a 24–hour absence; to $200 from $100 after 48 hours; and to $500 from $300 after seven days, with the once a year limit being dropped. I would remind hon. members that the new travellers exemptions are already operating without disruption.

A further measure in the bill will also help to streamline Canada Customs clearance procedures for travellers under what is known as a basket tariff item basis. Under this measure the government is proposing to replace the thousands of existing categories of goods with as few as 12 categories. That will be of great benefit to Canadians travelling abroad.

In addition to the amendments I have discussed, the bill contains a number of other changes of a largely technical or housekeeping nature. Most will serve to clarify the intent of existing customs and tariff provisions. Perhaps the most important of these deals with the value for duty of imported goods, also known as the valuation provisions of the Customs Act. It is essential that the rules for determining value for duty not be subject to any manipulation or abuse. Otherwise, revenue and fair competition will be put at risk.

Bill C–102 contains provisions that clarify our existing practices in dealing with valuation. It is founded on the concept that the price paid or payable should form the basis for assessing duty and taxes on these imported goods. The valuation policies and practices that are used by Revenue Canada are in fact the same ones that have been in place since the introduction of the GATT valuation code in the mid–1980s. The amendment to the valuation provisions of the Customs Act will provide protection to Canadian businesses as envisioned by the legislation.

Members of the House will recall that Bill C–102 contains one tariff rate increase which I would like to explain. The British preferential tariff is being withdrawn from certain rubber footwear, thereby restoring the 20 per cent most favoured nation tariff rate. Former British preferential trade imports will now compete on the same basis as other foreign suppliers. At the same time the bill allows for future improvements to preferential tariff treatment for the world's poorest developing countries.

• (1045)

Finally, several motions were introduced in committee, as I mentioned before, and amendments were made. For the most part the changes introduced by the government were minor technical amendments, but I should like to make sure the House fully understands what these were.

Of note, one amendment responds to requests from Canadian importers by allowing rubber footwear in transit to Canada on June 13, 1995, when legislation was introduced eliminating the British preferential tariff free rate, to take advantage of the lower tariff free rate rather than being subjected to the 20 per cent most favoured nation tariff rate.

The other notable amendment responds to the concerns expressed by the Canadian Chamber of Commerce about the proposal to shorten the filing time limit for remissions under the machine program. The government has responded to this concern by allowing importers up to four years to claim remissions on goods eligible for duty free treatment under the program.

To sum up the specifics of the act, the legislation is about improved competitiveness, increased exports and enhanced employment prospects for Canadians. Bill C–102 will help to promote the continuing good health of Canada's large and vital export sector. It will help Canada maximize the benefits we enjoy under the free trade agreements and the changes proposed in the legislation will be welcomed by the great majority of Canadians affected by them.

As I alluded to when I began my speech, this is a piece of legislation which may not have high visibility to average Canadians. However, to those who are working in manufacturing plants, to those travelling abroad regularly and to those seeking the most competitive position because their own jobs are at stake, this is one of the most important steps the government is taking in its workaday fashion, its desire to make the economy work and its desire to get government right. This is one of the steps we are taking that we think will in the end provide for greater job security and the enhancement of our export sector.

It is with a great deal of pride I presented the bill to the House and have taken it through committee. It will make a major contribution to the Canadian economy. For that reason I call on members of the House to support the bill and to see to its speedy passage.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I find very telling the fact that the first bill to be considered following yesterday's referendum in Quebec would deal with free trade.

I think that, in a way, this confirms the opinion held by the vast majority of Quebecers, who believed that a partnership with the rest of Canada would have been possible. We received some confirmation this morning that the federal government wishes to improve Canada's economic relations with the U.S. through a bill which basically makes trade between these countries easier. This is very telling indeed, in my opinion.

Quebecers were the first to agree with and to support free trade between Canada and the United States and Mexico. I would just add this must go on, and efforts must be made to ensure that markets are available regardless of which political entities maintain them.

This is true particularly for small business, which accounts for 80 per cent of all job creation taking place in Quebec and which has taken on the challenge of dealing with the U.S. and Mexico.

• (1050)

However, free trade must definitely be seen as more than merely an economic issue. The challenge for all Quebecers and Canadians is not to trash the social programs that may have been put in place in Canada. It seems to me that this is a major consideration.

We will not win this free trade battle with the U.S. and Mexico by trying to make anything and everything match the American standard. I think that this will be particularly true in what lies ahead in terms of social program reform, including unemployment insurance and old age pensions. The government of Canada will come up with options which it will hopefully table soon and which will enable us to determine whether it has given in to American competition and agreed to play their game or else decided to play the free trade game while preserving the values unique to our society.

Accelerated harmonization will only result in making people increasingly dependent on the economy, and increasingly the poor will be going after a limited number of available jobs and, while their employability will increase, their incomes, wages, gains may not follow. In examining a free trade bill, therefore, it is important to look at the other side as well, that is to say the larger system within which free trade will take place.

So, yes to free trade, because we want trade conditions to be eased. We even made a proposal in that sense during the referendum campain, but it was not accepted by a majority of Quebecers. I think that Quebecers should be congratulated for respecting the democratic choice made. Results such as those of yesterday are not necessarily easy for anyone to take, considering that, for each group of 100 Quebecers, a single person made the difference.

This is true regardless of who that person is. I am not trying to make individual distinctions, but the fact is—and you people know what it is in terms of winning an election—that, for each group of 100 persons, a single Quebecer made the scale tip in favour of one side instead of the other. And you know what it is to win elections. Given that result, people deserve a great deal of respect for accepting, as they did in Quebec, such a close decision. This is not to say that we are giving up on our ideals. Certainly not.

I want to point out another aspect of the bill which, I feel, is important for both Quebec and Canada, namely the need to ensure that the protection granted to the cultural industry will not be jeopardized by a bill such as this one, which concerns goods, including a number of concrete physical products. But there is the whole cultural sector, where we will have to maintain such protection. Indeed, the debate that just took place in Quebec made Canada realize how fragile its position was in relation to its U.S. neighbour. We have to take a close look at some of this.

In fact, Americans should perhaps go back to their history books. It seems as though they decided, in recent days, that no change was better than good change. Sometimes, such things lead to short term victories. However, from a medium term perspective, these issues must be looked at more closely, since Canada, as a member of NAFTA, will, in the future, be confronted with such situations, particularly when countries with economies comparable to that of Chile, likely the next nation to join NAFTA, will become partners under that agreement. We will have to show the same respect towards these countries, whether they are big or small, and treat them for what they are.

When the free trade agreement was signed, we were told that it would take a few years before we started to notice a real difference. It is important to understand that this bill allows for an increase in the value of goods travellers can bring back, to bring these values in line with those set by our main trading partners.

• (1055)

With this bill, therefore, there will be concrete action to increase exchange, to facilitate exchange. It must be looked at from that point of view, and it will be seen that there may be some advantages to Quebec consumers, Canadian consumers and American consumers once these regulations are in place. At the same time, we must ensure that our economy and our industrial structure are capable of following suit.

There is one aspect which the representative of the government has not addressed, but which I would like to present. This type of bill will impact upon the regions of Quebec and of Canada, because a change in customs operations can impact upon the number of customs offices there will be in a region, for instance, and on how businesses will be serviced.

I refer in this connection to clause 12 of the new bill, which states:

> Goods, other than goods of a prescribed class, that have not been removed from a customs office, sufferance warehouse or duty free shop within such period of time as may be prescribed may be deposited by an officer in a place of safe-keeping designated by the Minister for that purpose.

That may seem gobbledygook to some, but basically the question that must be asked about this clause is the following: in regions where customs offices are closed, will that mean businesses are farther from their markets and therefore less able to service them?

We must ensure that proper choices will be made. There have been some indications that have not been very reassuring. For example, the government has announced the closure of five customs offices in eastern Quebec. There will, in fact, be none further east than Quebec City. The offices that used to be located in Rivière-du-Loup and Rimouski, the customs officers right out to the Gaspe, all those will be done away with. Can these changes be made without negative impact, ensuring that acts such as this one will facilitate trade?

These are matters that must be looked into. Care must be taken to ensure that the thing is done correctly. This is not really a change in legislation but rather a change in administrative application, and the government must ensure that its decisions do not penalize the outlying regions.

I have already stated, and return to the point here, that it is highly significant in my opinion that the intent of this bill is to concretize aspects of the partnership between Canada and the U.S. Throughout the entire referendum campaign we were told many times that the same thing is not possible between Quebec and Canada. It is very surprising, but at the same time very instructive, to come upon it again this morning, and this allows those who have taken part in the debate to see where the reality of that debate lay.

How can we arrange things in this area to avoid the bureaucratic complications experienced in a number of other sectors? Bill C-102 contains many technical elements, such as clause 5, according to which the operator of a sufferance warehouse or duty-free shop

> —shall keep in Canada such records—and shall, where an officer so requests, make them available to the officer.

In other words, customs brokers, the people who work in this sector, have a list of items—a, b, c, d, e, f, and up to i—which they are supposed to keep, so that in future they can produce them for the federal administration. From this side, it looks much like an approach that was often used in the seventies,

which I think is not necessarily a good idea for the future, because when I talk to owners of small and medium size businesses today and ask them what the government, any government, could do to improve the situation, I get two answers.

The first one may seem rather surprising but is understandable. They suggest reducing subsidies but doing it across the board. The second one is about bureaucracy.

• (1100)

I am referring to the administrative paper burden for small and medium size businesses, which means they often have to spend as much time on paperwork as much larger companies in order to meet government regulations. In this bill we will have to ensure that what customs is asked to do—maintain certain records—can be done efficiently without getting into the same problems we had with the GST, for instance.

Finally, Bill C–102 implements the effects of the free trade agreement. Generally speaking, we ought to applaud the fact that these regulations will be put in place, since they will provide for a better trade relationship between the signatories to the free trade agreement, which is what everyone wants.

Quebecers were among the instigators of the Canada–U.S. Free Trade Agreement, and they certainly hope this will continue. At the same time, we should remember that countries do not necessarily need very big borders to engage in mutually beneficial trade. In the nineteenth century, wars were fought to expand a country's territory and thus its domestic markets. As we approach the end of the twentieth century, we realize this can be done quite differently by simply letting everyone engage in trade, thus shifting the scene from the battlefield to the economy, where people who can produce goods and have a stable society are able to survive and contribute to economic development. That is where we are today. And we hope this trend will continue, but always with due respect for the society we represent.

One sector that is more or less affected by this bill and that I would like to bring to your attention is the dairy industry. Farmers in Quebec and five other provinces in Canada signed an agreement in the summer of 1995 which covers milk supply management throughout their territory. This agreement is valid at least until 1999, when it will be reassessed. It could last much longer. The producers reached this agreement in an effort to face the approaching challenge as the GATT agreements reduce tariffs in milk sales, which are of concern to them. We have set them a big challenge. Fortunately, however, they have already faced major challenges.

This sector, which is more vulnerable than a number of others requiring appropriate measures, needs all the support it can get to face the upcoming changes. One is the partnership between Quebec and five other provinces in Canada to deal with this market and also to obtain appropriate forms of assistance from government in increasing productivity to enable producers to provide a better quality product and to make products available in market niches that do not yet perhaps exist. One example of this is biological milk production.

It is important to be able to forecast developments in industry, in agriculture and in other sectors and to see what is coming up. When we fail to do this, we find ourselves in situations like the one in Quebec last week, when, suddenly, the federal government realized the situation in Quebec was special. After two years of saying that Quebec's situation in Canada would be resolved through good federal government, it had the lesson of its life, discovering that, in both Quebec and Canada, the problems were more than just economic. There are problems of distribution of wealth and of balance between the country's two founding peoples. The message from Quebecers was very clear: without specific change and without concrete proposals acknowledging Quebec's place in this country, in the very near future, a majority of Quebecers could well decide to change the situation.

• (1105)

That was an example involving the agricultural sector. One thing Parliament could do, in my opinion, through the standing committee on agriculture, for example, would be to ensure the options chosen for the coming years, and I am referring not just to the term of the present agreement, which lasts until 1999, but afterwards, are relevant to the priorities of the sector.

There is something distressfull about the fact that there are fewer and fewer actual people farming, but their economic impact remains as strong as ever. We must not fall into the trap of elected officials who say that, if fewer people are involved, less concern is warranted. We must instead establish the sensitivity of this sector and the type of action to be taken. This latest referendum campaign was a real revelation for me: it showed me the importance of these situations and of knowing how to plan ahead. I think we may be judged on this as well.

Bill C–102 is therefore here to be passed. The Bloc Quebecois feels it should be passed. It will support it. It also feels that bills enabling us to make progress should always be passed. We should never be afraid of change for its own sake.

When change is appropriate, we have to know how to integrate it. When it is not appropriate, we can reject it. However, when it is appropriate, we have to know how to integrate it. This is very important and, much later, this is how what we have done will be judged.

I would therefore like to say, in conclusion, that Quebec put its faith in free trade and will continue to do so, so that, in the end, each of the characteristics of the components of North America, and of the francophone people in particular, may be

recognized, validated and further developed, and Bill C–102 is one tool that will help in this regard.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the Reform Party also supports the bill. I will be speaking generally in favour of the bill.

Before I do I will take a couple of seconds and speak to the referendum last night. We cannot pretend that did not happen. We cannot just walk into this place and sleepwalk toward a further disaster.

The hon. parliamentary secretary had a few words to preface his remarks and my blood ran cold when I listened. The essence of what he said was that he welcomed those people who were trying to break up our country over the last couple of years and last night. He welcomed them back and said let us go on as before, working in committee and working in the House.

For the last two years going on before meant that every single word that came out of the mouth of the Bloc, and everyone in the Chamber knows it, has been to one direction, toward building a preface for the referendum last night for taking Quebec out of Confederation.

We cannot go on as before. We have to turn the page on that. We have to go forward. We have had 30 years, all of my adult life, of trying to appease people who would break up the country. It is time to stop it. All it does is foster a festering tribalism evidenced last night for everyone to see on national television by the premier of Quebec.

If we pretend this kind of thing is not going on in our country we are not doing our jobs as representatives of the people who sent us here. Tribalism is tribalism and that is what we have had here for the last two years. Let us not call it anything else.

• (1110)

To the embarrassment of Canadians everywhere, because the vast majority of Liberals opposite are afraid to confront the Bloc, to confront this tribalism, to confront these people, at every opportunity they get they back away. They back away from it in committee. They back away from it in all opportunities in the House. We recognize the Bloc has 53 seats. It is the loyal opposition but that does not need to be the way the House operates.

No one has ever retreated to victory. One does not build a country on appeasement. One builds a country on the values we share. We should be defining the values that make up Canadianism to be a Canadian. It does not matter what language one speaks, what race one is, these are the values that unite us as a country.

I will get on to Bill C–102. The hon. Parliamentary Secretary to the Minister of Finance explained in good detail exactly what the bill is all about.

We support it for essentially the reasons he said. It is a step in the right direction. It is a step to breaking down trade barriers. My hon. colleague from the Bloc is quite right when he asks why we would set up trade barriers between the rest of Canada and Quebec when we are trying to knock trade barriers down between us and the United States.

We are in the process of breaking down trade barriers. One of the ways to do that in a free trade agreement is to, as GATT has forced us to do, start looking at the zillions of financial transactions that take place with us and the Americans on a daily basis and ask how we can make them easier. That is what the bill does.

Many Canadians travel very often to the United States, as I have on occasion with my family, with our pooch Rex in the back seat. Coming across the border, as we are wont to do, we add up all of our purchases. Especially after becoming a member of Parliament I start sweating about an hour before I get to the border making sure I have everything because the last thing I want to do is find myself in *Frank* magazine for having smuggled something across the border.

I start to sweat about an hour before we hit the border and I have a list. By the time we get a little closer my wife is upset. She says: "For goodness sake, why do you not forget it? Let's just go". We have everything listed and we are prepared to stop and pay the 5 cents or 50 cents or $5 duty or whatever it is.

The last time we got to the border and we had these itemized lists the customs agent asked how long we had been gone. I said six days. We had our list ready and he said he had good news for us: "Keep on going, there is no duty applicable on this".

That makes great sense. We are absolutely thrilled the government is doing this. The government is also going one step further. It is trusting Canadians to make declarations on what they have.

It is very prudent of the government to carry a big stick. If we as Canadians break our trust and smuggle things through, we do not pay the duty or we do not pay the sales tax applicable, the government should reserve the right to come down hard on us.

The changes in the bill, forced by GATT, by the free trade agreement, are obviously steps in the right direction which we support wholeheartedly.

However, it would seem to me that if somehow we could inculcate within the whole apparatus of government the notion of common sense, we could make life a lot simpler for a whole lot of Canadians doing business.

I want to recount the story of Western Carpet Distributors Inc. in my constituency. A few years ago it was one of the primary distributors of carpet in western Canada. The carpet manufacturers had distributors who would in turn sell their carpets for them. Recently the carpet industry in Canada became vertically integrated. That means that the manufacturers started to sell directly to the retailers without the middleman, without the distributor. When one started doing it they all started doing it.

• (1115)

This left my constituent, the founder of Western Carpet Distributors, in a kind of bind. He had built his business over the years and it was a prosperous, successful business. All of a sudden he found that his suppliers were selling direct and no longer selling to him. The carpet manufacturers bought up many suppliers, but for whatever reason they did not buy his business. He was left in a situation where he was competing with the very companies he had built in the first place by supplying product to retailers.

When faced with this, as a businessman is wont to do, he found other suppliers. The other suppliers he found were in the United States. He then had to import material from the United States and sell in competition to the vertically integrated suppliers manufacturing and selling their own carpet in Canada. Because these manufacturers sold in Canada, he had a significant tariff put on his product.

Now it starts to get fairly complicated. The cost of his product should include the retailing or the selling expense. He was not allowed to claim that and had to pay duty on it, yet his competitors did not. This was a fairly substantial blow to him. There is a thick file at Revenue Canada, as he has been trying to get this changed but to absolutely no avail.

There is another situation in which he is caught up, adjusting to that, paying the premium. He is now in a situation where a company that manufactures in the United States, sells to its Canadian subsidiary, a wholly owned subsidiary which then retails and is able to get a cash discount before delivery of 5 per cent. This is within its own family. The manufacturer sells to its wholly owned Canadian distributor but can take a 5 per cent discount. The same Canadian distributor I am talking about does a deal with his competitor and he is not allowed to take that. That is considered a reduction in price and he has to pay duty on it.

We are treating two apples like apples and oranges. This should not be. If we are prepared to give individual citizens the freedom and the right to be held personally liable and give them the trust to come back and forth across the border, should we not also do exactly the same thing with Canadian businesses? Should we not give Canadian businesses the same trust and responsibility? If they misuse that responsibility, we should come down hard on them like a ton of bricks. But if in the normal course of business they are doing what is not only reasonable but right and makes common sense, why do we not extend that to this sector as well?

Perhaps it is because there would be an army—I do not know; I am sure no one has even thought of it. But if we take this to its natural conclusion, there are a lot of things in our Canadian lives that we could do as citizens and not need governments to do for us. We do not need a whole building full of people with sharp little pencils trying to figure out who is right and who is wrong, who is doing what and who is not doing what. If we are going to have free trade, let us have free trade.

In conclusion, I want to put a few remarks forward on this bill just to ensure that they are on the record.

Bill C–102 and bills like Bill C–102 restore faith in the business sector in imports and exports. They help to bring our country to a competitive level. This is good. However, because of our complicated tax system Canadian investors are still investing outside of Canada more than they are in Canada.

We would support this bill. We would ask that the government continue to bring forward bills such as this and try to make life simpler for Canadians as individuals and businesses so that we can face the future in a much more competitive spirit.

• (1120)

The Acting Speaker (Mr. Kilger): We will now move on to the next stage of debate, where members will be entitled to a maximum of 20 minutes for their speeches subject to a 10–minute question or comment period.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am very pleased to join in this discussion today on Bill C–102, an act to amend the Customs Act and the customs tariff and to make related and consequential amendments to other acts.

I know there are many in Etobicoke—Lakeshore, the business and industry community, the manufacturers, the exporters, the trading companies and those who travel either as tourists or in business, who are very interested in these amendments.

I thought I would have to debate some of the issues in the bill and call for support from the opposition. I was pleased to hear the support of my hon. colleague from the Bloc and also support from the Reform member who spoke just before me.

It seems as though there is general agreement among all members that the amendments in Bill C–102 would do a number of things. They would increase the capability of transferring goods to export market, enable us to be competitive and encourage and improve the capacity for people doing business in Canada and across our borders.

I want to draw attention to some of the concepts of good government as we see them in Bill C–102. A number of measures provided for in this bill build on the government's review of Canada's tariff regime.

I want to take the opportunity to compliment not only the Minister of Finance and the Minister of National Revenue, whose work and whose departments have brought forward these amendments, but also the committee on finance that worked on many pieces of legislation, such as S–9, C–105, C–90, C–103 and these present amendments before us.

This bill introduces tariff reductions on a broad range of goods used as inputs in Canadian manufacturing operations. The bill also introduces changes. I believe there was general agreement on these changes to enhance, streamline, and consolidate Canada's duty deferral programs and also to make them more accessible to all manufacturers. These changes exist not only to enhance but also to reduce input costs. These changes allow for regions to more effectively market the programs in competition with the U.S. free trade zones to attract and keep investment in Canada.

There are several amendments to Bill C–102. In the context of good government these amendments are designed to lower business input costs and maintain and enhance our competitiveness and therefore create more jobs and opportunities, as we promised in our red book.

Bill C–102 provides for a number of technical changes to simplify, clarify, modernize and bring up to date the customs tariff and its administration, to make it easier and less costly for business to access tariff relief programs. We heard earlier some examples of individuals in the business community who work with rules that are bureaucratic, out of sync with the way of doing business in today's world.

• (1125)

Several amendments to Bill C–102 resulted from broad consultations with the private sector and at the request of those sectors. We heard earlier from the parliamentary secretary about the changes that were made as a result of the input from consultations and presentations that were made to the committee in the drafting stage.

The measures adopted in the bill will do a number of things. They will provide $60 million in import tariff relief to Canadian manufacturers to level the playing field with NAFTA trading partners. I can say that in Etobicoke—Lakeshore business people are very concerned about this area and I am sure will be quite pleased with the tariff relief section.

These amendments will also position Canadian businesses with a duty deferral program to more easily attract investment and compete in expanding world markets with a minimum of customs overhead. Again, I think every member in the House who is in touch with export business people knows the issue is an important one for them.

The amendments will also assist and provide opportunities for provincial and municipal governments to enrich the duty deferral program with local incentives. It is always the way in which we on this side of the House work to ensure that the municipal, regional, and other levels of government work in accordance with policies and with what we are attempting to do in the House.

The improvement of services to travellers through simplification of customs procedures will allow customs to focus on smuggling and commercial importation. Those who have been out of the country recently and have come back into the country with goods would already know the implication of this change.

Enacting this bill will not only ensure competitiveness and make all of the housekeeping amendments, but it will also increase the value of goods travellers can bring back to Canada after absences abroad. As someone who has travelled in the last few months, I had to fill out forms and state what I was bringing back into the country. I also became aware of exemptions Canadian travellers are allowed versus the U.S. exemptions, as we cross from the U.S. into Canada. It is a positive step toward the accord we recently signed on our shared border.

There are several other technical things within the bill. I want to stress a few that I am sure my constituents in Etobicoke—Lakeshore, who are watching very closely the passage of this and who are awaiting its full implementation, would like me to emphasize.

I would like to draw attention specifically to amendments which allow for possible future improvements to preferential tariff treatment for the world's poorest developing countries to improve their export opportunities. This is very important for a number of people within the communities attempting to do business in this area.

• (1130)

The protection of all goods and jobs and the withdrawal of the British preferential tariff, or the BPT rate as it is called, on certain rubber footwear ensure that all manufacturers and producers are on an even playing field. I mentioned earlier travellers' exemptions and the basket tariff items to facilitate the processing of travellers.

In the context of good government I stress that the amendments will facilitate smooth business across our borders. They will encourage competitiveness. They will respond to our manufacturers, small business people and exporters. They will provide opportunities to provincial and municipal governments to come up with local initiatives to deal with free trade arrangements. All the amendments in Bill C–102 will give Canada the climate to ensure that we have the facility to trade across our borders on an equal footing. The Access to Information Act will protect the confidentiality of taxpayer information provided by

importers pursuant to the Customs Act and the customs tariff. Those changes would be greatly appreciated by business people.

The housekeeping and technical amendments contained in Bill C–102 ensure that competitiveness will be increased. They will also ensure that the exemptions for Canadian travellers will be in line with those of our major trading partners. The amendments will ensure that related and consequential amendments will be made to all acts that impinge upon the Customs Act and the customs tariff.

These amendments are needed and desirable. I join with my colleagues in saying that the amendments are excellent. Therefore I ask members to ensure that Bill C–102 receives swift passage.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the Parliamentary Secretary to the Prime Minister for getting involved in the debate as it affects all Canadians.

I appreciate that growth is the heart of the Canadian economy. It is very important for all of us to remember that the growth of the wider Toronto area has been in large part based on the export industries. Major cities around Toronto house the auto industry, the direct manufacturers being the big three, and small firms that feed into it such as the parts suppliers. In Toronto a number of different industries export across Lake Ontario into the heartland of American industry.

• (1135)

The message the government is trying to get across to Toronto area business people is that we are there to support them in the expansion of the economy and the expansion of their businesses. We are there to make sure they can get through customs at Buffalo or Windsor quickly.

Individual travellers or those who own businesses and use border crossing points know there are long lines and it can be very difficult. It is one thing for individual citizens to be tied up for a few hours on a Sunday. It is frustrating if they are with their children. However it is another thing for truck drivers to be constantly held up as they do business. It extends the working day too long. It makes the cost particularly for businesses with just in time delivery systems very expensive.

We are trying to recognize the new realities in the legislation. We are trying to have members such as the parliamentary secretary take an interest because it helps us to give the message to the business community. The hon. member would probably want to go to the business community in Toronto to explain some of these points.

By way of a question I ask the hon. member whether or not the business community on the export side, as far as she knows, was beginning to understand the changes and the fact that we can accommodate tax free transitions as goods are brought into Canada and exported not only into the United States, which accounts for a large part of what we are doing, but also into Europe and South America. The Pearson airport is a centre for such transactions into new markets.

The Toronto business community would be very interested. I ask her to discuss it with her colleagues from Toronto. Perhaps we on this side of the House, those from Ontario and others, could help to take the message into the business community and promote Canadian exports through the new legislation.

Ms. Augustine: Mr. Speaker, the comments made and the questions asked are very important and are the basis of my decision to speak to Bill C–102.

Perhaps I can speak to the fact that Etobicoke—Lakeshore is geographically centred in an area close to major highways, the Toronto airport and the borders through Niagara Falls and Windsor. There are thousands and thousands of small businesses, small industries and small manufacturers that are very interested in ensuring their businesses prosper, continue to grow and are a hub of activity in Etobicoke—Lakeshore.

When I speak to business people one thing they say is that governments can do just so much. The business people need to keep government out of the way they operate. They need governments to facilitate. They need the bureaucracy, the paperwork and all such things to be facilitating. If the policies, guidelines, rules and tariffs are facilitated, we can do what we do best. We can produce. We can make sure our production lines are moving, make sure we provide opportunities for individuals and make sure we are part of the global world before us.

We should look at tariff regimes and at what we are doing to ensure that the bureaucracy and the paperwork are minimized for businesses. We should ensure that businesses continue to grow and develop and that we produce employment for individuals.

Not only would I take the message back, but I would make sure that businesses in my area have copies of the legislation and that they understand fully what the government is ensuring will happen for them.

• (1140)

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I am pleased to join in the debate on Bill C–102, an act to amend the Customs Act. I am especially pleased to do it today, the morning following a major decision in Quebec to keep Quebec in a strong Canada.

I made mention of that because Bill C–102 is all about keeping our country strong. Keeping our country strong has been one of its elements and trade is very important to ensuring that our nation remains strong and continues to grow and prosper for the benefit of ourselves, our neighbours, our children and our grandchildren. We can now look forward to getting on with other agenda items for the country. We can focus on some very important matters.

While Bill C–102 contains numerous items that on the face of them appear to be relatively minor, people involved in importing and exporting know they are very important.

I will talk about trade in the larger context. Most Canadians, my constituents included, will read in the newspapers from time to time about Canada's trade balance compared with the rest of the world or that it has *x* billions of dollars in surplus with our trading neighbours, particularly our American neighbours to the south. This is an important number but it does not give the whole picture about what trade does for our nation, our citizens, our businesses and the world.

Trade opens and keeps open lines of communication. When the Prime Minister led a delegation dubbed Team Canada to China not long ago, in some quarters he was criticized because there were deemed to be certain problems in China over the issue of human rights. The message was made very clear by the Prime Minister of Canada. We have concerns about what happens in terms of human rights in China, but the way to improve human rights there and elsewhere in the world is principally through trade. Through trade is communication. Through trade is learning. Through trade is job creation and growing and strengthening economies. Trade is the best way to improve our understanding of each other around the world. As is so often the case dollars talk. Free enterprise and capitalism when properly undertaken can in themselves drive the entire world toward higher standards of living and better relations among all people.

The bill is part of the big picture. It is part of what Canada needs to do to ensure that all our small, medium and large businesses compete in the world and at the same time contribute to the world. It is very much a give and take situation.

Canada, with its vast human resources, natural resources and technical know–how, has been able to maintain a relationship with the rest of the world that has been very much to our advantage. We have seen the maintenance of hundreds of thousands of jobs in many sectors of the economy. My riding of Algoma is a riding in northern Ontario which one might not think is dependent on trade. It includes part of Sault Ste. Marie, a border community. I will talk a bit later about what it means to be a border community. We also depend on tourism which is very much a trade item. We also depend on forestry and mining.

• (1145)

I had the chance recently to meet a delegation representing the mining sector during their visit to Parliament Hill on a lobby day. It is easier to appreciate that even mining involves trade, the trade of minerals, the trade of natural resources and also the trade of people.

There is no question that without trade we cannot as a nation make the advances necessary to continually improve the lot of our citizens and the citizens of other countries.

I would like to pick out a few of the items in this bill for special mention. The Parliamentary Secretary to the Minister of Finance and the Parliamentary Secretary to the Prime Minister have capably outlined some of those provisions. I would like to relate some of those provisions to experiences I have had in years past in my own work life, for example measures to deal with duty deferral and the tremendous red tape that is involved in importing an item which will be further processed and perhaps become part of another item which will then be exported.

In the seventies I was the manager of a small electronics manufacturing company in my riding. We were producing an electronic product. It was necessary to import a couple of components which simply were not available in Canada. The red tape we had to go through to import those items which would be included in a final product which would then be exported caused more headaches than I could possibly describe in the short time I have today. The lost manpower, the loss of time and resources were incredible.

If there is one commitment this government will keep to business, particularly small and medium sized business, it is the reduction of red tape. Bill C–102 is going to combine the drawback provisions, the numerous provisions that are presently required of small business. Inward processing and bonded warehousing are other examples of red tape now facing importers who require products from outside the country for inclusion in a product which is made here and then exported.

If there is anything we can do for small and medium sized businesses it is to reduce the red tape. From my experience I can say this is certainly a most welcome addition to the streamlining this government is committed to making.

Numerous small companies in my riding export. In Elliot Lake, ELMAR Co. manufactures products for the mining sector. More recently it has diversified to include consumer products such as special clothing for handicapped children and other products. It has faced numerous difficulties with the very issue I raised a moment ago, that being the importation of a good for inclusion in the final product which is to be exported.

The fact that Bill C–102 will also streamline and reduce tariffs is a very welcome measure for this company and others involved in export. The books which contain the tariff codes are huge, about two feet thick. We should do whatever we can to simplify and reduce the requirement that small businesses need to call their broker or a government office to find out about a particular product and its code standing. Whatever we can do to eliminate the necessity of businesses to do that, we are adding that much more to the productivity of that business. Red tape never actually adds profits to the bottom line.

• (1150)

I think business accepts that there needs to be a certain amount of involvement with provincial and federal governments when it comes to paperwork, but there is far too much of it. We made a commitment in the campaign to reduce the amount of unproductive work required by businesses in this regard.

Mention has been made about streamlining border crossings for travellers, tourists and truckers. As I mentioned a moment ago, part of Sault Ste. Marie is in my riding. The border crossing at Sault, Michigan and Sault, Ontario is popular. Some years ago there was a tremendous problem with cross border shopping at a time when our exchange rate was not such as it is today.

Happily, I can report that is not a major problem right now but line–ups are a problem. Line–ups are created because even though 99.9 per cent of travellers are honest citizens and would tell customs or immigration agents the truth when asked, a tremendous bureaucracy has been created to catch the less than 1 per cent of people who are dishonest and might be trying to hide something.

I see in Bill C–102 a recognition that most people are honest. Let us find ways to zip them through the border crossing and instead focus our energies on those who would try to avoid duties or would try to smuggle something into the country.

We have the modern technology and we have seen some pilot projects in B.C. and elsewhere that will lead us to fulfilling the commitment made between President Clinton and our Prime Minister during the president's visit to this country some months ago. That commitment was that the border between our two friendly nations be made more open. We have seen it with open skies in the airline industry. We are also seeing a push toward opening the border, being respectful of the need to manage our different citizenship and our different cultures, but at the same time recognizing that this border, the longest, friendliest border in the world as I understand it, needs to be managed in a way which recognizes that most people crossing the border are honest citizens with nothing to hide.

When I see the provisions of Bill C–102 that are moving us toward that goal, I am very pleased for my constituents of Algoma riding in northern Ontario who are not very far from the U.S. at Sault Ste. Marie.

I do not think we know for certain how this will all work out, what regimes will be put in place to simplify the crossing for visitors and truckers, but if there is a will, there is a way.

I mentioned truckers. What a waste of time for a trucker with a load to deliver to have to wait at the border for some official to go through endless paperwork and examination before allowing him to cross the border. Like our visitors, I am sure 99 per cent of our truckers are carrying legitimate loads to legitimate destinations. Whatever we can do to speed things up, we will be adding to that company's productivity. We will be able to help companies reduce their transportation billings to their customers. Down the line it will mean less expensive products at the consumer level. We are doing everyone a favour when we streamline our border crossings.

• (1155)

Also in relation to borders, there have been attempts by the Manitoulin Economic Development Association to establish a ferry service between South Baymouth on Manitoulin Island and Alpena, Michigan. Sadly, that project has been put on hold for a while because of cutbacks by the Ontario government and because the Ontario Northland Transportation Commission has had to cut back.

As part of the project I had made a commitment to work with the Minister of National Revenue and his officials to find a way to establish an international ferry between Canada and the U.S. on Lake Huron. Tourists would benefit from a streamlining of the relationship between our two nations.

Even though this project has been put on hold for the time being, it is very important that we push ahead with initiatives right along the border between Canada and the U.S., be they land or marine borders and that the ability for travellers to enter each country be made as easy as possible. This is in recognition of the fact that most people are honest and do not want to deliberately deprive the province or the federal government of their small share of taxes or duties.

There is an issue which arose in committee and which the parliamentary secretary referred to dealing with the valuation for purposes of calculating duty. In simple terms, the confusion arose over the value placed on an imported good if it was shipped from the manufacturer but the order was placed by a third party who charged a mark–up for the good. The debate was should the value be the price from the manufacturer or the price the third party actually charged the final user in Canada? Very good arguments were made by a number of excellent witnesses who said that the price should be from the manufacturer level.

The committee was not convinced the proposal in Bill C–102 was different from practices in the U.S. or Europe, although good arguments were made that we were undertaking a practice that was different from either the U.S. or Europe.

In moving ahead with Bill C–102 and with the valuation provision we have made a commitment that, as for all trade related legislation, this legislation will be sent to an international panel for review to make sure it fits within the terms of our international trade agreements. A WTO panel will look at the trade provisions of Bill C–102 to ensure it is consistent with our commitments to our trading partners around the world.

I am sure if a problem is found, being a responsible government we will look at any comments or suggestions which come back from the WTO panel. The majority of committee members were convinced the provisions of Bill C–102 with respect to valuation were consistent with our European and American trading partners in particular.

In my concluding moments I would like to go back to the general theme of Canada as a trading nation. It is important that we maintain our integrity as a good and honest trading partner to the world.

• (1200)

We are a trading partner that can be relied on to deliver product on time because our small, medium and large businesses are strong and able to produce and deliver on time. This requires that we not stand in the way of business to produce quality products, that we do not stand in its way to be profitable and that we ensure our education system, our manpower training system, is always there ready and able to provide qualified workers who know how to produce excellent products, who know how to do the research required to enable Canada to maintain its proper place as a leading trading nation.

We look forward to seeing Bill C–102 implemented.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, Bill C–102 represents the opinion and the majority belief of most of us that most Canadians are honest.

I cross the border. I live within 30 miles of the border at Thousand Islands. My riding of Hastings—Frontenac—Lennox and Addington extends from the Thousand Islands to Algonquin Park. We have a steady flow of tourists back and forth. We have small businesses exporting and importing.

Whether I was driving back from the United States or whether, as in a previous life, I was importing, I could see the honest person with the small company was being confronted with too much paperwork. There was a real lack of support for the small business person who was being put behind the eight ball.

Certainly there is smuggling today. If a person wants to smuggle something he would target our area of the St. Lawrence River. I do not want to see us penalize the honest person. I do hope Bill C–102 will help eliminate some of this overburden of paperwork.

The large corporations in our part of eastern Ontario are expanding at a great rate. Bombardier is shipping $595 million worth of cars to Malaysia and other places around the world. Celanese just got an expansion. It has invested $191 million so it can export most of that. It is a polymer based product. Basically the polymer to make a shirt is the same product used to make a two–litre plastic pop bottle.

These companies have the resources, the income, the background and the experts to help with the trading nation philosophy we have. However, the small businesses do not always have all this information available. I certainly hope Bill C–102 will help in this respect.

We need to send the message as the bill progresses that we will ally with small businesses so they can access this neighbouring market.

Small businesses in my riding are getting the spinoff from these major orders. Almost $1 billion has been invested into our area this year. From that many small businesses can take the opportunity to reach into the United States, Mexico and to the fourth amigo down the road. Yet the atmosphere is not always there which says we care about small business. We all acknowledge small business is the engine of the economy. That is where our jobs will come from. How many people are not certain the government is really looking after small business?

This is a great opportunity for Bill C–102 and for us. It is my responsibility following this to show how this will help our small businesses.

I want to get the opinion of my colleague from Algoma that the mandate of Bill C–102 will help our small businesses and in what ways. I know he has studied this bill much more than I have.

Mr. St. Denis: Mr. Speaker, my colleague has always expressed the concerns of his constituents and small businesses across the country very well.

• (1205)

Whatever we can do to lift the burden from small business, be it at the border, in sales tax, at the level of corporate reporting, whatever kind of red tape we can lift from the backs of small business is something we can do to improve productivity, improve the bottom line and improve therefore the ability to create and maintain jobs.

The fact that we can plan through Bill C–102 to move trucks through the border more quickly and efficiently means less time for that load between point A and point B and therefore less cost in terms of wasted fuel, manpower, et cetera. This fact alone may only mean pennies on a item in a load, but multiply that millions and millions of times; take two pennies on something worth a dollar and that is 2 per cent.

If we do that over and over, day in and day out, the accumulation of benefits to the small businesses trucking goods to consumers, to workers, will accumulate indefinitely. The present value of those would virtually be immeasurable.

When coupled with commitments the government has made to deal through regulatory reform with the issue of red tape in all areas, we are as partners to small business. I know some members of the third party say we should be out of business altogether. I am not in favour of government's being overly involved in business but it has a role to play in assisting businesses to trade in the world, to take their proper place in the community, but not to be there as a burden. Government can work with businesses to ensure that even though they have to pay taxes those taxes are used wisely and are as low as possible.

If there is one thing the government can do to assist our economic growth and renewal it is to reduce and eliminate where possible the red tape burden that now hangs over too many small businesses.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the member for Algoma for his speech. The work done by the finance committee was very important in the development of this legislation.

Members of the finance committee over the last year and a half since I have been involved with it have had to deal with a number of different subjects. It requires a lot of work behind the scenes to make sure they understand each of these different bills.

A member such as the member for Algoma who is close to the border, an area which also has a lot of tourism, really depends on the operation of Canadian borders not only for industry but for tourism. A member such as the one for Algoma has to spend a lot of time making sure he or she understands this legislation and is able to contribute to the debate.

The witnesses who came in to talk about Bill C–102 were all very knowledgeable and very expert witnesses. They had very different opinions sometimes from what we wanted to do. It was up to the members of the committee to really strike a balance, to review these interventions and to come out with what I consider to be a first class piece of legislation.

Could the member comment on some of the things he heard in committee and whether he thinks the bill accurately reflects the best way of proceeding on these various issues?

Mr. St. Denis: Mr. Speaker, the parliamentary secretary in being succinct as usual has been accurate in his reflection of the facts as he was referring to me. I did not want to be self–effusive. His comments about me were what I was talking about.

• (1210)

There were a number of issues raised in committee. I spoke about valuation. I would like to spend another moment speaking on that because it was certainly the most contentious issue. In fairness, other matters were raised, of which the parliamentary secretary spoke, which were resolved during the meeting. As a member of the finance committee I was very impressed with the willingness of witnesses and officials to actually work out solutions to problems that needed to be addressed immediately.

On the issue of valuation, witnesses might have gone away from the meeting not feeling totally satisfied that we were able to accommodate them. The issue really boiled down to whether the proposals in Bill C–102 were in line with the actions and policies of our U.S. trading partner and the European communities. We were not persuaded there was much difference.

The WTO panel will look at Bill C–102, once enacted, and will let us know whether it is consistent with our obligations to our trading partners around the world.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, it is a pleasure to address Bill C–102, a government bill, and to have Her Majesty's loyal opposition stand before the House to support the bill and to have the Reform Party also stand before the House to support the bill. After four very difficult weeks it is a great day for Canada to bring in a piece of legislation which the major parties and the Government of Canada can support wholeheartedly.

Bill C–102 will amend the Customs Act and the Customs Tariff. It is a bill of language and a bill of clarity; it clearly defines, enhances and streamlines the duty deferral program.

The Canadian Chamber of Commerce made interventions in committee that perhaps if we did not bring the bill in on a time line acceptable to business more generally some companies would lose or forfeit the duty they may have paid to Revenue Canada because they could not reclaim on time. We have made adjustments so this would not be a problem for business.

These changes are designed to help improve the competitive position of Canadian industry and Canadian business. The amendments will allow regions of the country to be more effective in marketing their programs and their products in a competitive manner which allows Canada to attract investment and to keep business at home.

The aim and the strength of the bill lie in its clarification of legislative provisions to make the tariff framework more clear and to eliminate confusion and ambiguity for Canadian companies, importing companies and travellers.

The bill also prescribes the terms and conditions on which licences for the operation of sufferance warehouses or duty free shops may be issued to include the provision of security which may be required in the operation of these warehouses or shops. It includes the duration of licences and the fees or the manner of determining the fees, if any are to be paid, and for which licences. It is a very specific and clear bill.

The bill also clearly defines the circumstances by which licences for the operation of sufferance warehouses or duty free shops may be issued, in which way they may be amended or suspended, renewed, cancelled or reinstated: the process of accountability.

Bill C–102 also seeks to provide standards for the operation and maintenance of these facilities, sufferance warehouses or duty free shops, and in particular the manner in which the receipt of goods in these warehouses is acknowledged, the circumstances by which and the extent to which goods may be manipulated, altered, unpacked, changed or combined with other goods to make a new product while in the confinement of sufferance warehouses or duty free shops, in a clearly given constituency. The definition of these confinements is also clearly prescribed by these legislative enactments.

• (1215)

This bill and these amendments clearly spell out what are considered designated goods. This clarifies the language and establishes standards for the operation and maintenance of the sufferance warehouses or duty free shops.

Under this bill the framework is laid in which the importer operates his place of business and the respect and manner wherein he maintains his records of operation, his records of imported goods, so that he may be able to make them available to an inspection officer at any given time and answer truthfully to questions in respect of such importations.

The sufferance warehouses and duty free shops are places where imported goods arrive. The manner in which the receipt of these goods is acknowledged, the circumstances and the extent to which these goods may be changed or altered, as I have indicated, is clearly prescribed and defined in this legislation.

These changes should improve efficiency. These changes should reduce the costs of doing business in Canada. These changes allow business, in a very accountable way, to carry on in a very honest and accountable fashion and reduce the red tape for those people who operate legitimate business and manufacturing companies here in Canada.

There is one point that was of great contention in the finance committee. That was a point my colleague talked about for a moment, an evaluation provision. Under proposed section 48 of clause 18, the value for duty is a transaction value of the goods if the goods are sold for export to Canada. The transaction value of goods shall be determined by ascertaining the price paid or payable for the goods when the goods are sold for export to Canada. We have changed that. The proposed amendment to subsections 45(1) and 48(1) are that we define the purchaser in Canada. The value for duty of goods is the transaction value of those goods if the goods are sold for export to Canada to a purchaser in Canada. Those are the key words, "a purchaser in Canada", and the price paid or payable for those goods can be determined. This is not a change in the process of doing business here. It is simply a clarification.

I will give an example so that members understand more clearly what our Canada customs officials have been practising for the last decade. If, for example, a foreign manufacturer makes a product valued at $80, that is the price leaving the foreign country. That product may go through several middlemen and maybe there are transaction values added through this process. When the product finally arrives to the Canadian purchaser, its value may be $100. Therefore, which is the value for tariff, the $80 at the foreign country doorstep where it left the foreign country, or the $100 when it arrives at the Canadian doorstep? This amendment clarifies very clearly that the value provision in this amendment is the $100 value, or the value to the purchaser in Canada.

I took a moment to make that clarification because this is not a new change. This is simply a clarification to the existing regulations and the current practices that govern importation of goods in Canada today. It is the practice that has been going on for 10 years. The clearly defined value for duty is the value that has been assigned. I repeat: this value has been used by Canada customs and tariff officials when assigning value for duty for the past decade. All we are doing today in this amendment within this bill is to allow every importer in Canada to know clearly the rules concerning the value of goods as indicated on the invoice to the purchaser in Canada to be sure that he understands this value to which tariffs and duties will be assigned.

• (1220)

There will be arguments as there were arguments in the debates in committee that the value for duty should be in fact the $80 value that was assigned at the foreign country at the time of export before the transactions of the middlemen intervened. However, we felt as a committee that the value when it arrives on the Canadian doorstep is the value after all transactions have been incurred.

Presentations were made to our committee by both the Canadian Importers Association and the Canadian Institute of Chartered Accountants in opposition to this bill, more specifically to this very section, "purchaser in Canada". They said this is a residency requirement; this is new. We argued that it was not new, that it was simply clarification, identifying the purchaser in Canada and that it had been the practice of Customs and Tariffs Canada for the past decade; it was simply clarification

and we were in compliance, not confrontation, with our world trading partners.

I elaborate on that point because it was very important and a great point of clarification. It sends a message to our businesses in Canada, our manufacturing businesses where we have value added jobs, that here at home we will do our utmost to protect those jobs through good legislation that is acceptable to our global trading partners.

The bill introduces tariff reductions on a broad range of goods used as input into Canadian manufacturing operations, thereby bringing our input tariffs more in line with those of the United States. It does reduce tariffs on many finished goods that are required and requested by Canadian producers.

Part of our red book commitment was to reduce government red tape and streamline government operations so that business in Canada could be more efficient and we could provide manufacturing jobs in a more competitive global economy. That is what Bill C–102 does.

Bill C–102 allows Canadian travellers to bring back to Canada after their absences abroad goods of increased value. This will bring Canadian travellers' exemptions into line with those of our major trading partners and for administrative purposes ease border congestion. We know the majority of those travellers are honest, law–abiding citizens. This bill allows that to occur with more ease and allows us to spend greater time on those who are involved in criminal offences and criminal activities.

This is a positive step forward for Canadian legislation. It is a positive step forward for our Canada–U.S. agreements and our shared border commitments to ensure that activities between these two peaceful countries occur with ease and with the greatest efficiency for both countries.

Other amendments to the customs tariff and the Customs Act contained in this bill are aimed at clarifying the intent of certain legislation or involve changes to make the tariff framework clearer and more predictable for Canadian companies and the importing community. Those are very important words, "more predictable", when one is in business.

I had the experience of being in a manufacturing biological business for some 25 years. I was a co–founder in Nova Scotia of a scientific company, a tremendous challenge of a high tech biological company in a part of the country that is known for its hewers of wood and drawers of water. It was a challenge indeed, but we established that company and were able to provide scientific jobs for young Canadians in Atlantic Canada.

• (1225)

I know the value of predictability and stability in regulations on importation of goods into a manufacturing process. It is all part of maintaining jobs, maintaining accountability to employees and maintaining a stable marketplace and economy for all Canadians.

These amendments will afford protection to our manufacturing jobs and enhance our capacity to export, which is what Canada is so well known for. These amendments clean up the wording of the act so that importers in Canada, those who own businesses and Canadians who are travellers, will understand and appreciate the regulations more clearly. The clarification and wording are clearly conforming with our trading partners, not confronting them, as some might suggest.

These are progressive amendments. In an accountable and trustworthy business trading partnership they enhance Canada's credibility in competitive global trade. I am very pleased to hear this morning that all parties of this House will support this legislation.

I am eager. I am very pleased to be on the finance committee and to have heard the arguments on both sides to bring this into the House and let our business community in Canada know that we are progressive.

We are listening. We are reducing the red tape. We are trying to streamline so that business can be competitive, so that we can ensure those Canadian jobs in all regions and make Canada the number one place economically that we are forecast to be in the next couple of years.

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I greatly enjoyed the member's speech. Based on her experience in the private sector she is extremely qualified to talk about matters that affect small and medium sized business in this country. This also eminently qualifies her to be a member of the finance committee of the House of Commons.

She made reference to the red book. I prefer to call it the well–read book, because so many Canadians have had a chance to be exposed to its contents, to be exposed to the commitments this government made during the 1993 campaign, which when implemented will do the kinds of things this country needs to take its proper place in the world as a trading nation that can, being strong economically, provide jobs for its citizens, especially our young people.

She mentioned her experiences in business with the biotechnology firm in the maritimes. No doubt she has many personal experiences with the red tape that faced her and her colleagues in that business. I wonder if she could share with us from her personal experience the loss of productivity, the loss of human resources, the wasted time that attends the paperwork burden imposed on business in this country. She might say how it will be a liberating thing for business not to have this load weighing down on them.

To watch the women work on the sewing machines at Stanfield's I believe they could compete with any women in the world in the garment sector. It does my heart good to watch our manufacturing people, to see the jobs created. These are value added jobs and the goods are sold in Canada and exported.

Everyone in the House knows how our exports have risen during this past year. It is a sign we are doing the right thing. This legislation is part of that progressive activity. It is progressive legislation for this government. To see Her Majesty's loyal opposition this morning announce it would support it after four very difficult weeks in the country and to hear the third party say it would support this legislation can do nothing but enhance jobs at home. I am proud to be part of the legislation.

The Acting Speaker (Mr. Kilger): It sounds like Fruit of the Loom is doing well in the hon. member's riding.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, there are close to 1 million small and medium sized businesses in Canada. Many of them are manufacturers; others are exporters or importers.

To stimulate the economy and promote job creation, the government has considered the demands and needs of small business and introduced Bill C–102, an act to amend the Customs Act and the Customs Tariff and to make related and consequential amendments to other acts.

I am pleased to support this bill. In summary, the bill before us would reduce tariffs on a broad range of goods used as inputs in Canadian manufacturing operations, which would bring our tariffs closer to those of the U.S. It would also reduce tariffs on certain finished goods, as requested by Canadian manufacturers. In addition, this bill would enact changes to streamline and consolidate Canada's duty deferral programs—duty drawback, bonded warehousing and inward processing—and to make them more accessible to all manufacturers. These changes are aimed at making Canadian industry more competitive by reducing input and administrative costs and easing the pressure on business cash flow.

The changes to duty deferral programs will allow the regions to market more effectively the programs competing with U.S. free trade zones in order to bring investors to Canada and keep them here.

[*English*]

This enactment also increases the value of goods travellers can bring back to Canada with them after an absence abroad. This will bring Canadian travellers' exemptions into line with those of our major trading partners and, for administrative purposes, ease border congestion so that customs is able to focus on smuggling and the growing number of commercial importations. It is also a positive step toward the recently signed Canada–U.S. accord on our shared border.

• (1240)

Other amendments to the customs tariff and the Customs Act contained in the bill are aimed at clarifying the intent of certain legislation or involve changes to make the tariff framework clearer and more predictable for Canadian companies and the importing community. These changes should improve efficiency and reduce the cost of doing business in Canada. One change will result in higher tariffs and the withdrawal of the duty free British preferential tariff rate on rubber footwear to protect Canadian production and jobs.

[*Translation*]

The bill would also amend the Access to Information Act in order to protect the confidentiality of information on taxpayers provided by importers pursuant to the Customs Act, the Customs Tariff, and the Special Import Measures Act.

Some of the provisions in Bill C–102 result from the government's review of Canada's tariff system, as announced in the 1994 budget. Their purpose is to ensure that Canada remains a good place for producing goods and that Canadian investors and businesses, including small businesses, are in a better position to benefit from the free trade agreements between Canada and other countries.

Some changes such as the improvement of duty deferral programs and the reduction of tariffs on manufacturing inputs are designed to lower the cost of inputs for business and to maintain and increase the competitiveness of Canadian business on domestic and international markets.

Bill C–102 contains some technical changes to simplify, clarify and update the Customs Tariff and its administration and to make tariff reduction programs more accessible to, and cheaper for, business.

The changes to facilitate the processing of travellers at border crossings will allow Revenue Canada, Customs to focus on other important border issues such as smuggling and the need to process an increasing volume of Canadian imports.

Many of the amendments in Bill C–102 were made following consultations with business and meet their demand for help in facing the competition.

[*English*]

The measures adopted in the bill will provide $60 million in import tariff relief to Canadian manufacturers to level the playing field with NAFTA trading partners in tariff reductions.

They will position Canadian businesses with the duty deferral program to more easily attract investment and compete in expanding world markets with a minimum of custom overhead. They will provide opportunities for provincial and municipal governments to enrich the duty deferral program with local incentives.

They will improve service to travellers through the simplification of customs procedures and allow customs to focus on smuggling and commercial importations.

[*Translation*]

In the current economic context and given the value of the Canadian dollar at this time, we have here a tremendous opportunity to encourage our industries, our small and medium sized businesses, and our Canadian as workers and consumers. Everyone would benefit from this bill and I am pleased to see that on this day, the day after the referendum, all the parties sitting in this House support this bill.

This bill will benefit all Canadians, including small businesses and manufacturers in my riding of Carleton—Gloucester, and I commend all those who worked on it in committee. I will gladly vote in favour of this bill.

• (1245)

[*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.

(Motion agreed to, bill read the third time and passed.)

* * *

EXCISE TAX ACT

The House proceeded to the consideration of Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): Colleagues, I would like to make you aware of a ruling by Mr. Speaker on Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act.

There are four motions in amendment standing on the Notice Paper for the report stage of Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act.

Motions Nos. 1 and 2 will be grouped for debate. A vote on Motion No. 1 applies to Motion No. 2.

[*Translation*]

Motion No. 3 will be debated and voted on separately.

[*English*]

Motion No. 4 will be debated and voted on separately.

MOTIONS IN AMENDMENT

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 1

That Bill C–103, in Clause 1, be amended by deleting lines 33 to 36, on page 2.

Motion No. 2

That Bill C–103, in Clause 1, be amended by deleting lines 30 to 42, on page 5.

He said: Mr. Speaker, the reason I have moved these motions to amend the legislation is that I am concerned that our government is placing an impediment in the way of Canadian magazines. I am very concerned that by doing this it is jeopardizing the future of Canadian magazines.

For people who are not familiar with what exactly this bill is about, I will provide some background. Bill C–103 is legislation that would retroactively apply most specifically to *Sports Illustrated* magazine. It would prevent the use of split run technology to publish their magazine in Canada and also pursue Canadian advertisers. I will address that whole issue in a moment.

This clause does not permit Canadian magazines which have circulations in the United States that are less than what they have in Canada to use split run technology to get back into their own market. By introducing this clause, the government is effectively blocking the way for the expansion of Canadian magazines which does not make any sense.

This weekend I was at the Canadian Association of Broadcasters meeting in Ottawa. As a former broadcaster I thought I had a pretty good handle of what was going on with broadcasters. However I was quite surprised to find out that some Canadian broadcasters have extended far out into the rest of the world. In doing so they have not only strengthened their balance sheet and profit picture, they have also provided tremendous opportunities for Canadian actors, writers and producers. As an example, I found out that Power Corp. out of Quebec is the largest broadcaster in Europe. I was surprised by that.

• (1250)

That tells us something about what we should be doing if we really want to give Canadian cultural industries a leg up on the competition. We should not be looking inward, becoming insular, engaging in navel gazing and putting up protectionist walls. We should be putting in place legislation that encourages free trade, that gives businesses the incentive to go out and compete in the world by getting into Europe as Power Corp. has done. It has provided all kinds of jobs for Canadian actors, writers,

producers and all kinds of other people involved in the Canadian cultural community. That is the right approach.

The same applies to CanWest Global which is involved in New Zealand and in Australia. The company I used to work for now has a MuchMusic type operation in Argentina which is doing very well.

The point is that what applies to broadcasting applies to the magazine industry. At the end of the day the cream rises to the top. Ultimately consumers get the best products. They get the most choice at the cheapest possible price.

I fail to understand why we are putting in legislation that impedes the ability of Canadian magazines to not only compete in the world market but even in their domestic market against all the American and foreign magazines which are coming into Canada. It is ridiculous to have a situation where if you want to establish an operation in New York in addition to the one you have in Canada you will not be allowed to use split run technology to get back into your own country. That is crazy. It makes absolutely no sense.

Our amendment is designed to get rid of that clause. Canadian magazines would then have an incentive and the government would not be standing in their way penalizing them for trying to expand and provide jobs for Canadians and to ensure that Canadian culture and the Canadian cultural industries, particularly the magazine industry, are strengthened in this country. Why in the world are we doing this? It makes absolutely no sense.

I am not going to belabour this. There are several motions before us and I will not talk for a long time on all of them. However, I really do feel that although the whole principle behind this legislation is flawed, this clause in particular needs to be addressed and this motion would be the ticket to do it.

[*Translation*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, we are here today to consider four amendments to Bill C–103. This bill contains major amendments to the Excise Tax and the Income Tax Act in areas that will benefit Canadian periodical publishers.

It has been a longstanding policy in Canada to channel Canadian advertising revenues into Canadian periodicals. The Canadian magazine industry actually depends on these revenues, as they represent 65 per cent of total revenues. More than 30 years ago, in 1961, the Royal Commission on Publications, commonly referred to as the O'Leary commission, looked into the situation of the Canadian magazine industry.

After a comprehensive review, the commission recommended that steps be taken to increase the flow of advertising revenues toward the Canadian magazine industry to give this industry a sound financial footing.

• (1255)

As a result, two legislative provisions were enacted in 1965: (i) section 19 of the Income Tax Act, limiting income tax deductions for advertisements directed at the Canadian market to advertisements bought in Canadian periodicals, and (ii) Code 9958 of the Customs Tariff, which prohibits the import into Canada of split–run editions or special editions of periodicals whose content is substantially the same as the content of the original edition, except for publicity specifically tailored to a Canadian market.

[*English*]

Over the past 30 years, section 19 of the Income Tax Act and tariff code 9958 have been successful in supporting the government's policy objective of encouraging Canadian advertising revenues to be directed to Canadian magazines. These two policy instruments have allowed the Canadian magazine industry to expand and to prosper.

However, a potential threat to the Canadian magazine industry arose in January 1993 when Time Warner announced its intention to publish *Sports Illustrated* Canada, a Canadian split run edition of the U.S. magazine *Sports Illustrated*. It would be printed in Canada using editorial content electronically transmitted from the U.S. Since *Sports Illustrated* Canada would not involve the physical importation of split run magazines in Canada, tariff code 9958 would not apply.

Time Warner's initiative demonstrated that there was a loophole in tariff code 9958 and a need to update Canada's magazine policy. As a result, in March 1993 the Government of Canada established a task force on the Canadian magazine industry. The task force was asked to examine existing policy instruments and to propose new measures which would ensure the continued effectiveness of federal policy in support of the Canadian magazine industry.

In its final report, the task force presented 11 recommendations to the government, two of which are addressed in Bill C–103: an excise tax on split run editions of periodicals distributed in Canada; and an anti–avoidance rule relating to the deductibility of advertising expenses in non–Canadian newspapers and periodicals.

The proposed excise tax will be levied on split run editions on a per issue basis at a rate of 80 per cent of the amount charged for all advertising appearing in the issue. Without this measure, the task force noted that new split run editions would likely enter the Canadian market and the Canadian periodical industry would risk losing up to 40 per cent of its advertising revenues over a five–year period.

The proposed amendments to the Income Tax Act will add an anti–avoidance rule to section 19 of the act. This will ensure that newspapers and periodicals which claim to be Canadian are in fact Canadian controlled for the purposes of the act.

The proposed amendments to the Excise Tax Act and the Income Tax Act update our policy instruments in support of the Canadian magazine industry. They maintain the government's longstanding policy respecting Canadian magazines and underscore the federal commitment to support the continuing existence of a viable and original Canadian magazine industry. I wanted to put that before the House to give a context to the amendments which are being discussed.

I would like to take this opportunity to thank the hon. member for Medicine Hat for his participation in the finance committee deliberations. He is not normally a critic in the finance area, but rather in the heritage field. However, this bill went to the finance committee because it affects legislation which is under the jurisdiction of the Minister of Finance. His participation was greatly welcomed and contributed to the questioning of witnesses and our general deliberations.

• (1300)

I will now deal with the first two amendments presented by the member that are grouped together. In Motion No. 1 would delete the definition of excluded edition. An excluded edition is defined as an edition primarily distributed outside Canada. This is a key concept that appears in several provisions of the bill. If the motion were adopted, a periodical edition distributed in Canada could be a split run edition if its editorial content is more than 20 per cent the same as that of another edition primarily distributed in Canada.

Thus the motion would result in regional editions of Canadian magazines being subject to the split run tax, even though at least 80 per cent of their editorial content is original to the Canadian market. This would be contrary to the government's stated policy objective for the Canadian magazine industry. It would also be inconsistent with the vote of the House to adopt a ways and means motion and the approval in principle given to the bill by the House at second reading.

The purpose of the bill is to encourage publishers to include at least 80 per cent original editorial content in magazines containing advertisements directed at Canadians. However, provided that a magazine satisfies this editorial content objective there is no intention to discourage the publisher from publishing regional Canadian advertising editions of the magazine. For that reason the government will have to reject the motion.

The second motion would eliminate exceptions that would exempt certain types of publications from being subject to the tax on split run editions. The first exemption specifies the tax will not apply to an edition primarily distributed outside Canada even though it has some circulation in Canada. This exception would allow regional editions of foreign magazines to continue to be distributed in Canada provided that the editions are primarily distributed outside Canada.

The second exception would allow a publisher of a foreign magazine to distribute in Canada an edition that contains some but not all the ads that appear in one of the editions distributed in a magazine's home country provided that the edition distributed in Canada does not contain any new ads.

These two exceptions are intended to allow foreign magazine editions to continue to be distributed in Canada without being subject to the split run tax provided that they do not contain ads primarily directed at Canadians. By deleting these exceptions the proposed motion would extend the scope of the split run tax to magazine editions not intended to be subject to the tax.

Thus the motion is inconsistent with the vote of the House to adopt the ways and means motion and the approval in principle given the bill by the House at second reading. For this reason the government will reject the motion.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, it gives me great pleasure to rise today to discuss report stage of Bill C–103, an act to amend the Excise Act and the Income Tax Act.

I will spend the majority of my time today discussing Reform amendments that have been put forward to alleviate some of the serious problems or flaws that have worked their way into the bill.

As I stated during second reading, Bill C–103 will impose an excise tax in respect to split run editions of periodicals. The tax will be implemented at the rate of 80 per cent of the value of all advertisements contained within the split run edition. The split run editions are essentially periodicals distributed in Canada. More than 20 per cent of their editorial material is the same or substantially the same as the editorial material that appears in one or more periodical edition distributed primarily outside Canada and they contain advertisements that differ from country to country. Reform's amendments lie at the heart of this issue.

• (1305)

It is all too clear the issue of a split run edition of foreign magazines is one of predatory pricing or dumping its product on the Canadian market at unreasonably low prices as it means a siphoning off of Canadian advertising. If this is happening then punitive measures should be applied against the violators.

The ultimate question is whether publications such as *Sports Illustrated* are in fact dumping and in so doing bleeding the Canadian periodical advertising market dry. To effectively determine if split run periodicals dump their product on the Canadian market, we should examine the fees charged for advertising and compare them to a competitor or another publication with similar numbers or readership.

I will use readership as a quantitative measure in comparing *Sports Illustrated* with two other magazines simply because the same value was selected by the Canadian Magazine Publishers Association for comparing costs of advertising between publications. *Sports Illustrated* Canada has a readership of just over 650,000 compared with *Equinox* which has a readership of 783,000 and *Outdoor Canada* which has a readership of 621,000. The readership numbers are relatively close for those who read the three magazines and are relatively the same cross section of the populace.

Specifically *Sports Illustrated* charges $5,800 for a standard, full four–colour page advertisement, while *Outdoor Canada* and *Equinox* charge $4,300 and $5,500 respectively for the same standard, full four–page edition. Therefore it would seem logical that if *Sports Illustrated* is dumping the amount it charges, advertisers'costs should not only be lower but significantly lower. This, however, is not the case. It appears the opposite is true since *Sports Illustrated* charged more than the other two magazines for advertising space.

Even if we look at the unit costs per 1,000 copies for the same three publications after taxes, *Sports Illustrated* has a higher unit cost per thousand than the other two. Again, if *Sports Illustrated* were dumping, these costs would be significantly lower and not higher. This evidence has been seemingly overlooked or ignored by the Liberal government.

Further evidence is based on a 1983 study that the 10 most popular United States magazines in Canada commanded a collective circulation of approximately 2.8 million. Over the last 10 years the names of the magazines have changed yet the most popular U.S. magazines in Canada today have 25 per cent less circulation than their counterparts a decade ago.

Interesting enough at the same time the top 10 Canadian magazines have increased their collective circulation by almost 15 per cent. It appears that Canadian magazines are winning the battle for readers. This is happening not because of government intervention but because of the quality of articles in the magazines.

If we look at the amount of revenue generated for split run editions through advertisement, the lion's share is remaining in the hands of Canadian based magazines. Last year *Sports Illustrated* had six split runs that brought in ad revenues of slightly more than $1 million, which is minuscule compared to the $867 million in the Canadian magazine industry as a whole.

A final note on this issue is that Canadian magazine publishers admitted to the Standing Committee on Finance that advertising revenues in the Canadian magazine industry have increased 4 per cent over the last year despite the alleged dumping and predatory pricing of *Sports Illustrated* Canada that were supposed to have taken place during this time.

• (1310)

Moreover, the Canadian Magazine Publishers Association agreed there was no Canadian magazine in direct competition with *Sports Illustrated* Canada in its unique market niche for its readers. Even if there were, the Canadian competitor would survive not because of an end to split runs of a competitor but because Canadians wanted to read it and because it was quality material. In other words it would stand on its own merits. Advertisers would be attracted to certain publications for their readership and because they were Canadian or American.

The complaints of Canadian publishers are based on a much simpler concept than predatory pricing called economies of scale. To say therefore that economies of scale inevitably doom Canadian culture is to say that domestic and foreign cultural products compete strictly on price, that is Canadians do not distinguish between them on any other basis.

If there is one truth among nationalists it is that the two are not perfect substitutes. Canadian tastes are distinct and therefore indigenous production fills a need that foreign art cannot meet, in which case Canadians would be willing to pay a premium for the product. If we are not very different from the Americans, the advantage of economies of scale should be just as open to us as to them. A perfect example of this would be *Hockey News*, a Canadian publication running split run editions in the United States.

Should clauses 1 and 2 not be amended as we have put forward, future Canadian publications would be prevented from expanding into the United States. Not only does the bill impede the flow of imports, it also takes away any incentive for Canadian publications to grow, to expand and to take full advantage of the U.S. market. That is shameful. For this reason Motions Nos. 1 and 2 should be passed.

Bill C–103 implements a retroactive grandfathering clause as well. Clause 1 on page 6 dealing with section 39 clearly illustrates the meanspirited nature of the government in that it sets the exemption date for the legislation approximately one week before *Sports Illustrated* started running its northern edition. The bill therefore aims directly at disqualifying only them. This is grossly unfair and our amendment will remedy the situation by changing the enforcement date of the legislation to the day after the act is assented to.

We on this side of the House oppose the bill for the following reasons. First, Reformers do not support the notion that state sanctioned cultural protectionism is a good policy to implement. Second, Bill C–103 conjures up the view that Canadian magazines are not of sufficient quality or merit to compete with foreign counterparts. We on this side of the House know this is 100 per cent false. Canadians are among the best in the world. We compete through our talent and our products, not through government sanctioned protectionism.

It is clear therefore that the Reform Party cannot support the legislation without our amendments being passed. Bill C–103 represents the worst of giving special interest groups an advantage at the expense of all taxpayers who will now pay a higher price for many magazines they choose to buy.

On behalf of my constituents in Edmonton—Strathcona I thank the Liberal government for taking even more money out of their pockets.

• (1315)

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise to join in the report stage debate of Bill C–103 and to stand in support of those members on this side of the House who were speaking to this bill.

I want to begin by giving a bit of my background as an educator and as someone who has enjoyed and is very concerned about the Canadian magazine industry. A task force on this industry was established in March 1993 with a mandate to recommend the update of existing policy instruments and to propose new measures in support of the Canadian magazine industry, which so many of us have enjoyed and are enjoying.

Since 1965 there have been two legislative measures in place to support the Canadian magazine industry: the Income Tax Act section 19 and the customs tariff code. The objective of both of those measures was to ensure an adequate flow of advertising revenues to support a vibrant Canadian periodical industry. These instruments of public policy have in large part been successful. However, technological developments in an increasingly global trading environment have meant those two measures which have been in place for almost 30 years are no longer completely adequate to meet the policy objective for which they were designed.

The first thing the task force had to do was learn about the industry. I would like to take this opportunity to give some background on the industry to put this bill in perspective to see whether the Reformers would appreciate some of the aspects of the bill that we are supporting on this side of the House.

The task force commissioned two reports. The first was prepared by Informetrica Ltd. and examined the economic environment within which the Canadian magazine industry operates. The second, prepared by Lee Anderson of Carleton University, analysed the Canadian advertising market with particular reference to the Canadian magazine industry. The Informetrica study provided some basic information on the economics of periodical publishing, its products, markets and cost structure.

In 1991–92 the Canadian industry produced 1,440 magazines, with revenues totalling more than $846 million. The Canadian magazine industry is one of the most important media pipelines between the generators of Canadian information, ideas and views and the Canadian public.

In 1990 more families participated in buying magazines, both Canadian and foreign, than any other cultural activity except perhaps the buying of newspapers. Compared to 1978, the percentage of households buying magazines increased by 10 per cent to an average of 69.8 per cent.

The domestic market is measured by Statistics Canada. Statistics Canada estimates that there are more than three million subscriptions to U.S. periodicals not included in the trade data. In 1991 Statistics Canada information presents one view of the size of the market and the Canadian magazine publishers' share of that market. Using these measures, Canadian publishers account for 54.8 per cent of the total domestic market.

• (1320)

One area of difficulty, is that subscriptions ordered by Canadians directly from the U.S. and mailed from the U.S. to Canadians are not counted by any of the existing statistical systems. The value of magazines imported is the value at the border with no real measure of the advertising contained therein. Therefore, with adjustments an alternative measure based on circulation revenue suggests a Canadian publishers' share of about 25.5 per cent of the domestic market.

Although editorially rich and diverse, the Canadian industry is not on strong economic footing. We do not have to go very far from the House to recognize this. The 1991 statistics show that more than half of Canadian magazines had no operating profit. The average operating profit for the industry as a whole was only 2.4 per cent. In any business that is really not good.

Despite the strength of our mix of editorial content and diversity and the size and profitability of Canadian magazines they are still very much limited in terms of their potential for revenue. The issue here is one of relative market size and economies of scale.

Magazines have two clients, the reader and the advertiser. The building blocks of a magazine are circulation, editorial content and advertising. The larger a periodical circulation the more advertising it can attract. The greater a magazine's advertising revenue the more it can afford to spend on editorial content, which in turn makes the magazine more attractive to consumers and increases its circulation. Circulation is crucial to advertisers and therefore crucial to a magazine's advertising revenue.

The Informetrica study reported that circulation revenue accounted for $245 million or 29 per cent of the total revenue of Canadian magazines in 1991 and 1992. Magazines can be circulated on news stands or through subscriptions. For Canadian magazines, approximately 10 per cent of English language and 27 per cent of French–language magazines are sold on news stands. By contrast, 89.3 per cent of all imported consumer magazines are destined for news stands. That is not to suggest that the government or the domestic magazine industry are interested in restricting the access of foreign magazines to our news stands. These statistics are merely presented to demonstrate the competition Canadian magazines are up against on news stands.

Subscriptions are the main source of circulation revenue for most Canadian magazines. A large subscription base provides a publisher with stability, helps in scheduling production units and is particularly important for cash flow since most subscriptions are paid in advance or early in the subscription period. I am sure that most of us who have subscribed to magazines know that we hear from the magazine far in advance of the expiry date of the subscription.

Advertising revenue is a lifeline of the Canadian magazine industry and is crucial to the survival of Canadian magazines in an indigenous Canadian magazine industry. Sixty–five per cent of all revenue of Canadian magazines is derived from advertising. An adequate advertising revenue base is essential to the economic foundation of periodical publishing in Canada.

Without a healthy Canadian magazine industry Canada's policy objective of ensuring that Canadians have access to Canadian ideas and information through Canadian periodicals cannot be met. Policy instruments that have been in place since 1965 are designed to achieve that purpose. Encouraging magazine advertisers to reach Canadian consumers through Canadian magazines and periodicals is as important today as it was 30 years ago.

The advertising study commissioned by the task force showed that magazines have experienced more annual declines in advertising dollars than any other medium in Canada. Television's rise as an advertising medium over the 30–year period is perhaps the most significant trend behind the declining share of magazine advertising revenues.

• (1325)

Magazines tend to be disproportionately affected in economic downturns through drops in circulation. Whereas people will continue to watch TV, they would cancel their magazine subscriptions to save money and have cash flow. That affects the entire industry.

The bottom line is that the amount of money spent by advertisers to reach the Canadian consumer is not likely to grow. Therefore, within the Canadian advertising market it is extremely unlikely that the share held by periodicals will increase.

The two studies that were commissioned demonstrate very clearly the precarious situation the Canadian magazine industry finds itself in. This is a point I want to underscore, the precarious situation the Canadian magazine industry finds itself in. It must compete in a market that is dominated by imported magazines and it must compete for advertising revenues.

The consequence for the Canadian magazine industry and thus for Canadian cultural development will be very serious if we do not take the necessary steps to maintain the structural support necessary to continue to meet the government's longstanding policy objective for Canadian magazines of ensuring they have adequate access to advertising revenues.

The measures in Bill C–103 are designed to support the Canadian magazine industry so that it can conduct business and be competitive. It is simply an extension of Canada's longstanding policy against split runs. The measures strive to plug a loophole in the tariff item so the exploitation by *Sports Illustrated* Canada over the last two years can be dealt with. However, *Sports Illustrated* Canada got around the measures by electronically beaming the magazine to a Canadian printing plant.

I know members across the way are speaking in support of *Sports Illustrated*. I want to make clear these measures in the present bill are in no way designed to limit Canadian access to foreign publications. Canadians will still be free to read whatever they want, including an imported edition of *Sports Illustrated*. Our borders remain open to the millions of copies of American magazines that are bought here each year. The best way to support the Canadian magazine industry is to adopt measures that will encourage original content regardless of the country of origin.

We do not want a kind of recycled editorial material that is commonly dumped in split runs. We must continue to finds ways—

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the hon. member. I have been as generous as I could. Short of the member asking for unanimous consent to conclude her remarks, I would have to resume debate.

Perhaps the hon. member could mention to the House how much longer it would take to conclude her remarks.

Ms. Augustine: Mr. Speaker, I was right at the very end.

We must continue to find ways to maintain a place for the rich tapestry of ideas and information we now have in Canadian periodicals. To that end, I urge the House to promptly pass this legislation.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I am happy to rise today to support the motions of amendment put forward by my colleague for Medicine Hat. First, I do that, I would like to take a moment to speak about Bill C–103 which is the basis for these amendments in the first place.

What we have here is a form of cultural protectionism. It is protectionism for an industry that I do not think really wants it or needs it. This government seems to assume this industry cannot stand on its own two feet, that it does not have a quality product which can be sold throughout the world on the basis of that quality. I really disagree.

• (1330)

I wonder what has happened to the Liberal government. At the same time those members have been talking about trade liberalization, bringing in NAFTA, the GATT agreement, they seem to be moving in the opposite direction in the area of culture.

In this area specifically we are talking about split runs for the magazine industry. What they do not realize is that Canadian magazines also use this technology very effectively. We have an industry in Canada competing in the international market and we can do it without government help. Those Canadian magazines will get sideswiped in this whole process.

This goes against the whole grain of free trade, of trade liberalization. Canada does not want to set this example. We want to set an example that we are free traders, that we can compete on the basis of quality.

The question of whether this is actually a dumping issue was raised by my colleague earlier. If this is a dumping issue, that the Americans are dumping cultural property into Canada, it should be addressed as such. We have a basis for discussing that with a NAFTA trade dispute panel. Why does it not go there instead of taking this round about way of hitting them with an excise tax?

We have to simply move away from this whole idea that we cannot compete unless we have government subsidies. Our cultural industries are actually being adversely affected by our assuming that and we have to get on with the process of competing on the basis of quality.

I want to talk to the first and second amendments proposed by my colleague. The first amendment deletes the term "excluded edition" from the bill. An excluded edition is an issue of a periodical that has less circulation in Canada than outside Canada. The second amendment deletes references to split end editions.

The purpose of these two amendments is to ensure the Canadian magazines we talked about earlier, which circulate in the United States and do split end runs, do not end up paying excise taxes in Canada in their attempt to penetrate the American market.

They are being penalized by an attempt to exercise cultural protectionism. The whole purpose of liberalizing trade between Canada and the United States is to allow goods and services which are superior and which are in demand to find a much larger market. We defeat that purpose of free trade by taxing Canadian periodicals which have a chance to stand, to make it at home and abroad.

Canadian periodicals should be free to export our good ideas and our great culture to the United States. They stand a better chance if they can do so by using the split end run technology on their editions abroad and not be penalized here at home. Presently there are two Canadian magazines, *Harrowsmith* and *The Hockey News*, which will be caught in the net of the bill.

Amendments Nos. 1 and 2 by my colleague ensure these and other Canadian magazines are excluded from the bill's provisions. I would like to see our amendments passed this afternoon.

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I will address some of the arguments put to us this afternoon by members of the Reform Party.

I will limit my remarks essentially to four arguments. The first made by the member for Medicine Hat is an economic argument about market choice. It is an interesting theory about the ability of consumers to know their own needs best. It is a very alluring theory but there are flaws with that theory which I hope to point out.

The second argument is that of the member for Edmonton Strathcona on the apparently arbitrary nature of Bill C–103 with regard to its targeting *Sports Illustrated*, its split run and the timing of the proposal.

The third argument deals with the whole notion of state sanctioned cultural protection, alluded to by the members for Edmonton Strathcona and Peace River. The final argument deals with the whole notion of whether we can compete without this kind of government subsidy, an argument made by the member for Peace River. Let us review those arguments in order.

• (1335)

How does the world actually work? The world actually works in economic theory and in economic practice in two different ways. We have what could be described by any economist as imperfect market conditions in many of our relationships with the United States.

This is particularly true when, because of the market size and dominance in the cultural industries, there is a virtual monopoly condition which unless counterbalanced would essentially wipe out Canadian culture. It is true not only of magazine publishing but equally of broadcasting, movie distribution, popular music and many other cultural areas.

Our experience in this country is a sad one going back to the days of radio in the 1920s and 1930s when we discovered there was simply no place for a Canadian voice unless we created it, unless we legislated some protection, some place for Canadian voices to be heard, which led to the creation of the Canadian Broadcasting Corporation.

We noted in a later era that in popular music Canadian voices could not be heard unless there was some place they would be protected initially so they could form a critical mass and then become competitive. We have noted in film distribution there is still no place for Canadian voices because of the enormous market power of the American distribution systems. We have noted it in magazine distribution where a 1961 market share of 25 per cent of publications available in this country has declined to 21 per cent. With the introduction of various measures designed to prevent this kind of dumping Canadian magazines started to increase in their number and in their proportion of the marketplace.

In other words, we are talking about public policy that actually has a track record of working, public policy that has worked in broadcasting with the Canadian Broadcasting Corporation, public policy that has created a vibrant successful popular music business which can now compete successfully in the United States and public policy that has supported a vibrant Canadian magazine industry. Public policy works.

The argument has been put on the second point that this is grossly unfair to *Sports Illustrated*, a magazine that deliberately tried to violate the spirit of the law against this kind of dumping by trying a technological device not available at the time of *Time* magazine or *Reader's Digest* when we had to deal with this problem previously. It was a deliberately provocative act which demanded a deliberate, measured and firm response, which is what this is about. The spirit of the law is quite clear and it has been violated by *Sports Illustrated*.

The third argument has to do with the notion of state sponsored cultural protection. It is very interesting that we are not the only country to try to protect our cultural industries. It is also clear the United States does exactly the same thing. It is not possible for a foreigner to own a television station in the United States. The foreigner has to change nationality. We might argue that is a form of cultural protection. The Americans put it in a different way. They see that as a matter of national security so if ever they had to clear the air waves, a station would not be owned by some nefarious Canadian who would stop them. It is a form of cultural protection under the guise of national security.

The Americans do all sorts of things in this area. They do not allow foreigners to own significant amounts of the merchant marine because it might be required for national security. Surely if we chose to do so in this country we could simply redefine what we are on about here as our form of national security, our national cultural security. We also have something at stake here but we do not fight so much with arms as we do with our culture.

[*Translation*]

I think that, for all Canadians in whatever cultural or social group, our culture is nonetheless worth fighting for, since this culture, whether expressed in French or in English, represents us.

I think that we will also benefit from the European model, which reflects similar concerns with respect to culture. Our French counterparts have done the exact same thing, taking action for instance against the distribution of American movies and television programs. The problem is the same, it has to do with who they are.

That is what this is all about and why we are entering into a kind of alliance with the French and the Europeans on culture, in spite of American provocation if I may say so.

• (1340)

The Americans look upon us as a kind of Trojan horse. And if they cannot prevent us from taking such action, they will not be able to do so, even with the Europeans.

[*English*]

I suppose the argument, particularly by the member for Peace River, is whether we can compete without a government subsidy. The answer to that is quite clear. We cannot compete in an unfair market in which superior economic power is evidenced by dumping. The product coming across the border in the form of the split run by *Sports Illustrated* has been légèrement canadianisé. It is not a true Canadian product. It violates all of the agreements we put in place when we dealt with *Reader's Digest* and *Time* magazine. It was designed to do that deliberately. We have to take deliberate action against it.

As for being a subsidy, it is not a subsidy. It is simply a provision of the Income Tax Act which does not allow *Sports Illustrated* to have favoured treatment because they have come up with a clever technological trick.

For all these reasons I reject the arguments of the members of the Reform Party and urge the House to support this measure.

[*Translation*]

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I am pleased to address Bill C–103. Before discussing the content of this proposed legislation, I want to say a few words about culture and the importance of the Canadian culture.

Canadian culture includes a vast array of things. Ultimately, it is the essence and the reflection of who we are as individuals and as a nation. It reflects the way Canadians see each other, as well as the way they perceive the world. Our culture and our life as a people are inextricably intertwined. Cultural events, which are a reflection of ourselves, show the result of our creative voices and energies.

Culture is a complex notion. It includes the knowledge, beliefs, arts, moral values, laws, customs, as well as all the other skills and customs developed by the members of a society. Culture does not only refer to art. It includes the periodicals and books that we read, the records and the programs that we listen to. Canadians are avid consumers of cultural products.

Unfortunately, the majority of these products are of foreign origin. I say unfortunately because I wonder, as a member of this Parliament and of our Canadian society, how we are going to pass on our values and principles to our children and to our fellow citizens, if we have no control over publications, at least over a large number of publications, including cultural ones, in our community.

In this era of mass communications, our industries, including the film, book, periodical, radio, television and recording industries, must face an enormous challenge. Not only must Canadian producers assume the very high costs and risks inherent in a small market, they must also compete with foreign products which are generally cheaper and which have free access to our markets. If our cultural industries are not relatively sound from a financial point of view, our cultural development will suffer and we will no longer be heard. This is precisely what this bill seeks to avoid.

These reasons explain why Canada's cultural development deserves the full attention of public authorities, and particularly that of the members of this Parliament. As the hon. member for Don Valley West pointed out, every state takes similar measures. He mentioned Europe and France. Europeans have what they call "cultural exceptions" to protect, through rules of European content, their cultural institutions.

• (1345)

And remarkably, as my colleague for Don Valley West pointed out, the Americans are precisely the ones who generally treat questions of culture and cultural exports as purely commercial products. They also have the necessary means to protect American culture, American communications, American films and so on.

It seems to me, therefore, that the member for Peace River has somewhat oversimplified the issue. Yes, we live in a world of free trade. That is true, but we must never forget that our American competitors are experts in transforming free trade principles into elements of protection when it suits them to.

[*English*]

I have a friend in the United States who uses a wonderful expression. He has often said that as far as his people are concerned, free trade ranks somewhere between Christianity and jogging on a list of things much talked about but little practised.

Another American colleague of mine recently said at a meeting I was at that, as some of us recognize, that achieving free trade is like going to heaven; we all want to go to heaven but not just yet.

[*Translation*]

That is the problem. These are principles easily expressed but, regardless of the country, there are always impediments to prevent culture from being protected. The reason for this is a very significant one: culture is the very essence of a society.

We must be very pleased about what happened yesterday in the province of Quebec. We must all rejoice and I cannot pass up this opportunity to state how thrilled I am with the wise decision the people of Quebec made in yesterday's referendum.

I venture to think that the cultural aspect played a strong role in that decision, because Quebec's contribution to Canadian culture and the Canadian identity is enormous. Quebec makes it possible for the French language to flourish in Ontario and other provinces, and therefore contributes to the preservation and protection of French in North America, thus serving the interests of Quebec and of Quebecers themselves.

Now we can work together in the interests of the French communities, the English speaking communities, the multicultural communities, to preserve this focal point of hope our country represents to the whole world, which is reflected in the culture this bill is attempting to protect for all Canadians within this somewhat limited context.

The Government of Canada has fully assumed its responsibilities in this area. Over the past 35 years, it has put into place a wide range of organizations and programs in support of Canadian culture, to bolster what has been accomplished within the country. The Canadian Broadcasting Corporation, the National Film Board and our national museums and archival institutions, through the Canada Council, distribute grants to artists and cultural organizations across the country.

The government promotes investment in cultural products by granting tax benefits to funding agencies such as Telefilm Canada. It helps Canadian periodicals attract the advertising revenue they need for their survival and facilitates their distribution to a very dispersed readership.

Nevertheless, the problem of very high production and marketing costs still exists. In other industries, sales revenues are usually such that companies are able to break even. Although it has always been difficult for Canadians to finance production of cultural goods from national sales because of the small size of the market, it becomes practically impossible as a result of the advantages enjoyed in Canada by foreign, especially American competitors. This is certainly not to criticize foreign competitors, many of whom enrich our cultural life.

• (1350)

The purpose of this legislation is only to highlight the structural and financial obstacles to the distribution of Canadian cultural products. Among our Canadian cultural industries, the one that concerns us particularly today in the context of this bill is the periodical industry.

As was pointed out by the authors of the report of the Royal Commission on Publications in 1961, periodicals "can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society".

In the past thirty years, the Canadian periodical industry, both francophone and anglophone, has become more creative and, to some extent, more profitable. Unlike most of our cultural industries, the periodical sector is generally under Canadian control.

In fact, our Canadian periodical industries include more than 1,300 magazines, each with their own characteristics. These periodicals target various groups, use a variety of distribution methods and are regional or national in scope. Their content may be very specialized or very wide–ranging.

The large number and diversity of periodicals published in this country—consumer magazines, business publications and specialized periodicals—reflect the concerns and tastes of Canadians.

All regions as well most large urban centres have their own magazines. There are magazines for almost every field of endeavour: economics, professions and trades, arts and letters, science, religion, recreation, and so forth.

The relative success of this industry is largely due to government measures aimed at giving Canadian periodicals access to advertising markets and the public. Although their editorial content is rich and varied, the state of Canadian periodicals is precarious. In 1991, more than half failed to make a profit.

The Canadian market is more limited and is also shared by two main language groups. Canadian magazines will never have more than a fraction of the circulation of what are mainly American magazines. Circulation revenues of Canadian magazines will tend to remain below those of imported magazines. American magazines, for instance, collect more subscription revenues in Canada than do Canadian magazines.

Advertising sales play a vital role in the magazine industry. Publishers of periodicals cannot break even unless they manage to attract advertising. This is true in all countries, but Canadian publishers are often faced with strong competition from imported magazines, especially from the United States.

That is why about 30 years ago, Canada took steps to make it attractive for advertisers targeting the Canadian market to use the Canadian media.

The Canadian government was able to ensure that our periodicals would have more equitable access to their own markets. A complex set of measures involving postage, taxation and customs, together with subsidies, has contributed to the growth and stability of the industry.

This particular measure and this legislation are an attempt to complete a system that protects not only our magazines but, more broadly, the culture, ideas and values these magazines communicate to Canadians and their children, by propagating and protecting Canadian culture. This government is to be commended for taking measures we feel are absolutely indispensable to preserve—

[*English*]

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, in Montreal on Friday, October 27 Canadians from coast to coast shared their love for Canada and Quebec. My riding of York—Simcoe sent six buses and turned away 200 more. In other ways, in rallies and vigils and in presentations of song and drama, they celebrated Canada.

• (1355)

Mr. Solberg: On a point of order, Mr. Speaker, I am wondering if the member's intervention is relevant to Bill C–103 and the motions on it.

The Acting Speaker (Mr. Kilger): During the last few hours I have been paying close attention to all interventions from both sides of the House. At the beginning of members' statements, whether on report stage of Bill C–103 or other matters we dealt with earlier, some members took a few moments to reflect on the historical event which took place yesterday.

With the greatest of respect and fairness which the Chair owes to all its members, I am certain the member for York—Simcoe will be dealing with the matter at hand.

Mrs. Kraft Sloan: Mr. Speaker, my introduction has tremendous relevance for the importance of the magazine industry in Canada. It is really unfortunate the members of the Reform Party do not understand how valuable the Canadian magazine industry is to the country.

Compared with the United States, Canada may be small in numbers, but Canadians everywhere have shown that they are big in heart and are capable of creating a mighty roar for Canada. The Canadian magazine industry is an important and vital contributor in defining us and explaining who we are. In comparison to the American industry it also is small in number in terms of its potential circulation but it is very important to Canadians. It represents a wide diversity of interest and must be supported.

Magazines have two clients, the reader and the advertiser. Over the past 30 years—

The Speaker: My colleague, you will have the floor when we resume debate after question period. It being 2 p.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN UNITY

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to talk about our great nation, Canada.

While the results were close last night, we as a nation have so much to build our future on. Canadians from coast to coast share many of the same values and priorities. We all care about finding and keeping good paying jobs, that our streets are safe from crime and that future generations will inherit a compassionate and prosperous country.

The love for our country remains.

Last week the citizens of my riding organized a rally to demonstrate their desire for Quebec to remain a part of our great nation, and thousands upon thousands of Canadians travelled to Montreal to declare their love for this country.

These are the things that will hold us together. These are the things that we can build on in the weeks, months and years ahead.

* * *

AGRICULTURE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, when it came to the WGTA payout, the unique concerns of Peace River farmers were ignored by the government.

To ensure this does not happen again with the impending sale of the federal fleet of 13,000 hopper cars, I would like assurances from the Minister of Transport that BC Rail will will be given an option to buy some of these cars.

As a grain farmer I am well aware that BC Rail has had serious problems getting timely and reliable access to these government owned but CN controlled cars for years. In the more competitive market created with the elimination of the Crow rate, it does not make sense the government would limit the sale of its fleet to a couple of select players and force BC Rail to lease cars from its main competitors.

On behalf of the farmers of the Peace, I believe BC Rail must get its fair share. Farmers need to know there will be sufficient cars to get their grain to market in the future.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, while celebrating the fact that we Canadians remain together in a single country, we must ask ourselves some very important questions. What is a country, really? How did we weaken our political attachment to our country in the past 15 years? How can we renew the values we uphold and our vision of Canadian society?

[*English*]

In this respect, on behalf of the NDP we do not see uncritical decentralization and the offloading of federal responsibilities as a panacea, particularly if it is just a cover for the further dismantling of the very Canada that both Quebecers and non–Quebecers lament the continuing destruction of.

• (1400)

A house divided against itself cannot stand, but even an apparently united house—

[*Translation*]

—without a foundation of social and economic justice, is a house built on sand.

* * *

NATIONAL UNITY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the outcome of the referendum gave us all a glimpse of the consequences that would result from the breakup of our great country.

The tiny majority won by the no side gives us an opportunity to strengthen confederation from the inside. I think that Canada is a better country with Quebec, that Quebec's culture and economy make Canada stronger, and that Quebec is stronger within Canada.

Being part of a large entity is beneficial to Quebec's economy and culture, as they are supported by both francophone and non–francophone citizens across the country. I thank all Peterborough residents who travelled to Montreal last Friday and all the people who expressed their attachment to and support for Canada during the campaign.

Let us join forces to make Canada an even greater country.

NATIONAL UNITY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in a show of support for national unity, thousands of students and residents of Etobicoke—Lakeshore are holding out a friendly hand to Quebecers.

As a friendship offering, the vast majority of people in Etobicoke—Lakeshore have put their hand prints and signatures on huge banners that will be sent to the people of Quebec. This gesture shows that they have respect for Quebec and hope to see this province remain in the Canadian fold.

[*English*]

With "Here's My Hand", the community of Etobicoke—Lakeshore of all races, colour, creed and ethnicity asked Quebec to take pride as we do in what we have accomplished together. Now more than ever, we must extend our hands and continue to work together for our future as one strong and united Canada.

* * *

QUEBEC REFERENDUM

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I spent the last five days in the Quebec provincial riding of Labelle. I spoke to many Quebecers about their concerns and frustrations.

[*Translation*]

The day before yesterday, it was obvious that a majority of Quebecers do not want Quebec to separate from Canada but they do want changes. They have this profound desire to have their language and culture recognized and respected. They want renewed federalism. They want to live in an open and tolerant country.

[*English*]

We in the other provinces must live up to the promise of the past week. We have had on both sides a frightening failure to understand each other and a failure to understand the consequences of a yes vote.

[*Translation*]

Never again must Canada be allowed to come so close to the brink of destruction.

We must talk and take action.

* * *

SOCIAL PROGRAM REFORM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the federal government has deliberately been cruising in neutral since the end of September while waiting for the Quebec referendum results. Major changes to unemployment insurance and old age pensions will soon be introduced, and they will hit people harder than ever before since the inception of these programs.

We are aware of the societal choice being made in Ottawa, thanks to secret documents leaked to the public. We know that this choice is totally inconsistent with Quebec's aspirations in terms of society. The wind of change coming from Ottawa is really a flurry of drastic cuts that has Quebec shivering.

Those who chose to hide the truth from Quebecers will have to take the blame for it.

* * *

QUEBEC

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the referendum result reflects two different visions of Quebec. One is that Quebec is an integral part of a united Canada. But it is more than that. Quebec is the founding province of Canada, the place where it was born, the cradle and champion of francophones across Canada.

• (1405)

The other is that Quebec is one of these world nations that, because of their history and destiny, must become independent, while of course recognizing its special ties with Canada.

What these two visions have in common are democratic values, tolerance, and recognition of the fact that Quebecers form the only predominantly francophone society in North America.

Quebec is now and forever a francophone society that is free and able to control its own destiny and development, as part of Canada and of the world at large.

* * *

NATIONAL UNITY

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, Quebecers have spoken. Yesterday, they democratically chose to stay in Canada.

This referendum, the second in 15 years, clearly shows that Canada is still Quebecers' first choice. Obviously, given the numbers, there is no reason for anyone to go around bragging. Nevertheless, yesterday's vote is confirmation that Quebec does not want to separate from Canada.

In the coming weeks and months, people from all over the country, and particularly from Quebec, will ask for a Canada that better reflects who we are.

Last Sunday, in Hull, the Prime Minister said that we must never take our country for granted. We took heed of that message and we are determined to do everything to ensure the best possible future for our country.

S. O. 31

DEMOCRACY

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, yesterday, the great democratic tradition that prevails in Canada and in Quebec allowed for a referendum to be held on Quebec's constitutional future.

Ninety–four per cent of Quebecers voted. That, in itself, is an unprecedented democratic success, given the importance of the issue.

The very civilized campaign and consultation process show unequivocally that the principles of tolerance and freedom are valued by everyone in this country.

I want to congratulate all those who participated in the campaign. The responsible attitude and the respect displayed by both sides during that campaign reflect favourably on Canada and Quebec.

It is always reassuring to see that, in spite of the diverging views held on a given issue, the principles of democracy are shared by everyone in our country.

* * *

DEMOCRACY

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): My congratulations also to all of the men and women of Quebec who took part in yesterday's referendum. The issue presented to them was the choice of a country.

On both sides of the issue, our fellow Quebecers in all regions behaved with dignity and honesty, respecting others' opinions, and maintaining complete calm.

There is no doubt about it, the federal government and its crown corporations, the major Canadian carriers and the telephone companies in the anglophone provinces made major illegal contributions to the no side, illegally.

But the profoundly democratic character of the Quebec referendum process belongs to us all, to all Quebecers, and we should all be proud of this. No one can take away that pride. Building serenely upon that foundation we shall continue the struggle of the Quebec people toward sovereignty.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, most Canadians are breathing a sigh of relief today after the slim no victory. But while Canada remains united, what have we truly won?

[*Translation*]

The situation in which we find ourselves today is the same as the situation last night, last month, last year. It is obvious that all Canadians want changes at the federal level.

The referendum results are a clear indication that Quebecers have rejected the status quo, which has been the central element of this Prime Minister's political philosophy for the past 30 years.

[*English*]

We can only hope these results are enough to force our traditional leaders to leave behind their prehistoric ways and join all Canadians in the 21st century. If the overall results are not sufficient to do this, maybe the no leaders should take a long hard look at last night's results in ridings like Saint–Maurice and Sherbrooke.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, after the referendum yesterday, the Prime Minister of Canada said, and I quote: "It is up to us in Ottawa and Quebec City to respond to their expectations. Mr. Premier of Quebec, I reach out to you, sir".

• (1410)

The people of Canada now echo what was said by the Prime Minister. After a week spent demonstrating their love and affection for Quebec, Canadians are ready to join Quebecers in responding to the pressing needs of our country.

I earnestly hope that the Premier of Quebec will respond to this gesture and thus send a genuine message of reconciliation to all Quebecers.

* * *

NATIONAL UNITY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, we now know the verdict. Quebecers have said no to separation and have decided to stay within the Canadian federation. The results of the referendum have indicated very clearly that the people of Quebec are divided. Some wanted a new country where they believe everything would be possible. Others voted for the country they knew and loved, also in the belief that everything is possible.

It is now time to leave division and debate behind. It is time for reconciliation and solidarity. We all have to stick together and get back to work.

[*English*]

I extend my hand to all Quebecers and especially my Bloc Quebecois colleagues in the House of Commons, in the spirit of mutual respect, co–operation and understanding, in order to work collectively to defend the interests of all Quebecers no matter how each one voted last night.

[*Translation*]

Canada and Quebec can look forward to an exceptional future. It is up to us to make it happen.

* * *

DEMOCRACY

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, democracy spoke yesterday in Quebec and, as great democrats, Quebecers intend to respect the verdict. Although today, half the population of Quebec is saddened by the results, our first duty is to accept these results with calm and dignity, although the majority of the No side is minimal.

For democracy is the very foundation of the sovereignist movement, and we have every reason to be proud of the democratic exercise that ended yesterday, because it reflects, more than ever before, the discipline and political maturity of Quebecers and their profound attachment to democratic values.

The sovereignist movement will gain in stature after last night. The roots of hope are firmly imbedded for the future, for the near future.

* * *

[*English*]

NATIONAL UNITY

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, last night the people of Quebec demanded change from the federal government, sweeping change which has already been advocated by the Reform Party. By resisting change the rigid centralists of the Liberal Party brought this country to the brink of destruction.

Change must come and when it does the government must deal with each province as an equal partner in Confederation. Whatever is offered to one province must be offered to all. The government may be tempted to grant special status to one province to retain a share of its traditional power, but the lesson we learned last night is this: If the federal government continues to clutch the power to its breast, it will lose the federation.

Only the broad devolution of powers to all provinces on an equal basis will allow us to address the concerns of the different regions of the country. In order that Canada can continue to prosper the socialist dream of this overwhelming and intrusive central government must be permanently laid to rest.

Reformers will oppose special rights to any province because unity is based on equality.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

SOCIAL PROGRAM REFORM

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, we know the government deliberately put off tabling its reform of social programs until after the referendum in order to keep the bad news awaiting the unemployed from them until then. There have been a number of leaks of late confirming that the reform has been ready for a number of weeks already. The CSN has even made public a bill setting out exactly how they would cut the unemployment insurance plan.

My question is for the Prime Minister. Now that Quebecers have voted no in the referendum, what is preventing him from unveiling his reform of social programs, under which he is once again to make cuts on the backs of the disadvantaged?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I find it quite surprising that the CSN has a bill I have not yet seen.

The government is still looking at the problem, and we have not made a definitive decision. Furthermore, I am in contact with the provincial premiers, as I indicated two weeks ago in this House. The maritime premiers have made representations in this regard, and I have not finished consulting the other premiers. I hope to do so soon.

When we are ready, the government will approve a draft bill, which will be submitted to this House. The members will be able to make suggestions and amendments and, after it has been duly studied, the bill will be passed.

At this point, however, I have to say that Cabinet has not yet approved any draft bill on the matter.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, up to now, the government cited the imminence of the referendum to explain why it was not governing. Now we wonder what pretext it will invent to justify its inaction.

How can the government still claim that the reform of social programs is not yet ready, when, in the case of unemployment insurance, everyone can read the bill in the paper announcing more radical cuts on the backs of the unemployed?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have just answered the question. I repeat that no draft bill has yet been approved by the government. No draft bill has been submitted to cabinet. When it is submitted, the ministers will consider it, and there will be a resolution. I have to say we are well on the way, but I want to talk to one or two premiers who have made representations, before approving the final bill. No draft bill has been approved by the government to date.

So, we are waiting. When it is ready, we will table it in the House, and members can make suggestions or amendments, if they do not like it.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, given that the unemployment insurance fund will register a surplus this year of nearly $5 billion, does the Prime Minister plan to exempt the unemployed from further cuts and to reconsider his strategy of singling them out?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I would suggest that the hon. leader of the opposition read the recommendations that were made by the House of Commons committee, which indicated that one of the serious problems in the past was that the government that preceded ours, of which he was a member, substantially cut unemployment insurance premiums. When a recession hit the country they had to suddenly and drastically raise those premiums, which only accelerated the recession. Therefore the House of Commons committee recommended that a reserve be established to ensure there could be a stable state of premiums established.

As the hon. member knows, right now we are still paying off the deficit that was incurred by the previous government in the UI fund. We want to make sure we establish enough of a reserve that we will not run into the same problems the government of which he was a member encountered when it had to deal with the unemployment insurance system.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, despite the announcement in the last government budget, the Prime Minister has stated on a number of occasions that there was no question of cutting old age pensions. Despite the Prime Minister's prereferendum assurances, however, seniors are concerned.

My question is for the Prime Minister. When will he make known the contents of his planned reform of old age pensions?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was very clear in this House prior to the referendum and I am still clear after the referendum: We have no intention of cutting the federal pension benefits being received by those who are already retired—as I have said and as I say again—either in November or in the next budget.

I was very clear before the referendum and I am as clear today.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, could the Prime Minister reiterate today the commitment made on numerous occasions during the referendum campaign that his government will not cut the old age pensions of future recipients? I would like some clarification concerning "future recipients".

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have never mentioned future recipients. We are speaking of those receiving pensions. That is always what we have said, that we had no intention of changing the plan for those in receipt of old age pensions.

We have said that the federal government needs to ensure, over the long term, that the plan will be available for people who will reach retirement later, because everyone feels this is a plan requiring adjustments. There are more Canadians than in the past, in proportion to the size of the pension fund, and we need to look to the long term. We have spoken of reform for the years 2005 and 2010, and not for the immediate future.

* * *

[*English*]

CANADIAN UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, last night this country came within a hair's breadth of breaking apart. Fortunately the no side scraped through but it was thanks to the last minute efforts of the Canadian public, not to the strategy of the Prime Minister.

The Prime Minister and the no side strategists woefully underestimated Quebec's deep desire for change and up until 10 days ago were still trying to sell the status quo with a little administrative tinkering. These gross miscalculations almost cost us the country.

My question is to the Prime Minister. Three months ago the Prime Minister did not have an adequate plan to keep this country together. He did not have one last night. Does he have one today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr., Speaker, we had a plan and the people of Canada responded well to it. We had a close referendum, which was the expression of the will of the people of Quebec. Their views were expressed. It was closer than we expected. We wanted more.

I know the leader of the opposition wanted to win. There was no doubt in his mind that he wanted to win, which is normal in such a contest. But we won.

I made a speech on Tuesday in which I said I was in favour of certain changes. I will bring about these changes very quickly. As far as the will of the people of Canada is concerned, yes, they have helped a lot. A lot of members on this side were in Montreal with the people of Canada. However, I realize that during all that campaign the leader of the third party did not do much to help us to win.

Some hon. members: Hear, hear.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I do not think the Prime Minister learned a thing from last night.

Quebecers last night registered a massive demand for change. While Quebecers said no to separation by the narrowest of margins, both sides were giving a massive no to the status quo. Yet in his speech last night and in his remarks today, all the Prime Minister has to offer are the same old meaningless clichés about change that almost put this country over the edge.

Will the Prime Minister say today what changes he is going to make in the federal system to make it work for all Canadians? Will he be fresh, clear, and specific instead of tiresome, vague, and meaningless?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in a federation like Canada we have to talk with the premiers too, who during the campaign, contrary to the leader of the third party, did everything they could to help me and everybody on the no side to win.

I had the chance to talk with the premiers yesterday afternoon. We discussed a certain possibility of change, not necessarily all constitutional. They are willing to work with us. That is the way to do it, which is not what the leader of the third party has done. Rather than unite with everybody to give a front of a united Canada for the referendum, the leader of the third party was always out trying to score some cheap political points.

Some hon. members: Hear, hear.

Mr. Preston Manning (Calgary Southwest, Ref.): Shameful. Mr. Speaker, if I wanted to score cheap political points, I would know where to go.

A real agenda for change that would address the demands of Quebec and other provinces has to have two characteristics: It must be within the federal government's ability to implement without constitutional wrangling and it must be capable of commanding support among all the provinces including Quebec. Reform has a list of 20 such changes. We call them the new confederation proposals.

My question will appeal to the ethics of the government. If we were to put these new confederation proposals into a brown envelope and leave them outside the office of the Deputy Prime Minister, would the government be willing to steal them so that Canadians could at least have some plan to address the demand for change in this country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the leader of the third party had been in Quebec he would have realized that nobody in Quebec voted to dismantle medicare, free medical care for everybody in Quebec. Nobody voted for that. Nobody voted for the agenda of the Reform Party to destroy the social safety net that exists in Canada.

What the leader of the third party is trying to do at this moment is sell its very right wing agenda, to the right of Gingrich. He is using this occasion to pass his own political agenda rather than arguing for the survival of the country.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

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

Last week, the CSN made public the minister's bill on unemployment insurance reform. It indicates that, the more workers need unemployment insurance, the less help they will get from it. The rate of benefits paid to the unemployed will in fact be reduced according to the number of weeks they have drawn benefits in the past. The minister refused to comment before the referendum.

Now that the referendum is over, will the minister acknowledge that the two–tiered unemployment insurance plan, which he claimed last spring to have rejected, is sneaking back into his bill and that seasonal workers will be hard hit by his reform?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, whether it was before the vote for Canada last night or after the vote for Canada, the reality stays the same.

What the CSN put forward has no relation to the kinds of proposals the government is working on. Any documents they are dealing with they are conjuring.

As the Prime Minister said, I have not yet presented my recommendations to the cabinet. When those recommendations are presented and approved after further discussions with some of the provinces, we will be very happy to present them in the House. The hon. member will be able to see for herself exactly what is in them. Until then, I would recommend that the hon. member not buy the kind of stuff the CSN was putting out last week.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is a bill like others that coincide with leaks from his department.

Will the minister acknowledge that the regions whose economy depends largely on forestry, fishing and tourism will be the hardest hit by his reform and that he will turn them into second class regions peopled by second class unemployed?

• (1430)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have heard a great deal about the need for change during the debates of the last several weeks.

Perhaps the most important change we need to make is to get ourselves into having a job system for the 21st century that will reach out to the many people who have been unemployed for long periods of time and try to create the framework, the context and the resources to help them get good jobs to help economic development in the regions.

One way we can make that change is to shift from an unemployment insurance program designed 50 years ago to an employment insurance program designed for now and the next century. The real interest of the high unemployment areas is to get a good job creation system in the country. That is what we intend to do.

* * *

THE CONSTITUTION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it has been proven that Canadians from sea to sea want absolute equality.

In the Confederation of tomorrow what guarantee could the Prime Minister give Canadians that every province and every individual will be treated equally?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in 1980 we put in the Constitution a charter of rights that gave equality to every Canadian.

Miss Deborah Grey (Beaver River, Ref.): With that guarantee then, Mr. Speaker, why is the Prime Minister threatening to open up the Constitution again? There is no support for it across the country.

He has said during this debate: "We will make the changes that are needed". Whatever that code means, whatever the changes include, could the Prime Minister guarantee to us that there will be no special status for anybody? Just say no.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there are in the Constitution provisions that are not the same for everybody. For example, there is a proposition coming from Newfoundland at this time, which has a system of education that is different from those in Ontario and Alberta.

Some provisions in the Constitution guarantee forever that there will be four seats for the citizens of the province of P.E.I., even if the proportion of the voters is much lower than some constituencies in Toronto. There is also a provision that one can argue does not guarantee absolute equality, but I think it is right for the province of P.E.I. to keep its four seats. It was among the first to join Confederation.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Through his UI reform bill leaked by the CSN last week, the minister, far from helping young people, is set to increase very substantially the requirements that first time applicants must meet in order to qualify for the support that the UI program should provide. The minister refused to confirm anything before the referendum.

Now that the referendum is over, will the minister admit that his bill will increase from 20 to 26 weeks the minimum number of weeks of work required to qualify for benefits and exclude thousands of young people from unemployment insurance, and that the minister's new program will be one more obstacle to their access to the labour force?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as I have said several times now, the proposed employment insurance legislation has not been finalized. It has not been presented to cabinet. The hon. member would be well advised not to pay attention to any documents various groups have of what they think we will be presenting.

The hon. member should be looking at the fact that since taking office the government has introduced major new employment programs for young people. This year alone we will provide funding for partnerships with the private sector and with various school boards, including many in Quebec, to provide a brand new opportunity for over 25,000 young people to get the experience of moving from school to work, the vital bridge between formal education and work experience education.

We are committed to helping young people. We are not only committed but the actions we have initiated have shown how successful they can be.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, last year, the changes made by the government raised from 777,000 to 800,000 the number of welfare recipients in Quebec, so you can understand why we are concerned.

Does the minister recognize that his reform will make it much harder for women to return to the labour force after a long absence, as they will no longer be able to rely on UI for support between often precarious jobs?

• (1435)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, there are two forms of reply. First, I would point out to the hon. member that his facts are wrong. The reality is that the statistics we have from the Government of Quebec show the numbers of people on welfare have dropped over the last three months, not increased.

Second, I would point out that one of the very strong recommendations from the House of Commons committee, which we are listening to very carefully, is to provide for improved measures for women who want to come back into the workforce. We intend to live up to that commitment.

* * *

THE CONSTITUTION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, for two very long years now we have watched the Prime Minister and the government overspend by $80 billion. We have watched them snooze while people fear for their safety on the streets. We have watched them sleepwalk to the edge of a cliff in Quebec. It is time for a wake up call over there.

My question is for the Prime Minister. Are we doomed to repeat the endless distinct society debate that 30 years of negotiations could not resolve? If so, how does he plan to convince nine other premiers that it is in their best interest to sign on to inequality?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was very pleased at the big rally in Montreal, where there were more than 100,000 people, to see the premiers of Ontario, New Brunswick, Prince Edward Island and Nova Scotia there to show their solidarity. They showed the Quebec people that they wanted Quebec to remain in Canada. They also wanted to show their appreciation for the contribution of Quebecers since Confederation. I was very proud to see the premiers there. I noted there were not many Reform people there.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, holding rallies in the country is a far cry from good strategy.

My question is again for the Prime Minister. Will the Prime Minister commit today to a process to ensure more authority for the provinces by giving them the tools to pursue their distinctiveness by decentralizing powers equally in the federation, in particular in areas like tourism, culture, language and natural resources? Give an answer for a change.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all the powers the member mentioned are provincial powers. The only intervention by the federal government is to give money to the provinces in these areas. We use our spending power to give money in these areas. In the area of culture, for example, yes, the province of Quebec receives more than the proportion of population because it is where the milieu of the French culture is found. The reason a lot of the grants in relation to the French language are given to Quebec is that Quebec est le foyer de la langue française. We recognize that.

However, we do not have the constitutional power in those areas. The powers are with the provinces. We sometimes distribute money to give an equality of chances to the people. The reality in Canada is that we have parts of Canada where people are rich and parts of Canada where people are poor. It is the value of the Canadian mentality that the parts of Canada that have money help the people who need money in other parts of Canada.

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[*Translation*]

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Finance.

Cuts in transfer payments to the provinces announced in the last federal budget will mean a $650 million shortfall for Quebec next year. By 1997–98, the shortfall in Quebec caused by federal cutbacks will range anywhere from $1.2 to $1.9 billion, depending on the distribution method.

• (1440)

Now that the referendum is over, can the Minister of Finance tell us on what basis he plans to distribute the Canada social transfer among the provinces and if he still intends, as suggested in his budget speech, to use population as a criterion, which would mean that more than 40 per cent of all cuts made in Canada would be made in Quebec alone?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, every time the hon. member quotes these figures, he fails to mention equalization, which is a very important system by which the federal government transfers funds to the provinces and to the people of Quebec.

That being said, no distribution criterion was mentioned in the budget. We said that we would hold discussions with the provinces, and I expect to meet with my provincial counterparts before long to really get these discussions going.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question was clear, yet, as usual, I did not get an answer. When questions are put to the Minister of Finance, they never get answered anyway.

When does the Minister of Finance intend to announce the extent of the cuts he is about to make in Quebec and to disclose the actual figures that he has been deliberately hiding from the people of Quebec during the referendum campaign?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we were quite clear in the budget. We announced the framework in which we wanted our negotiations with the provinces to take place. The hon. member would not want me, I am sure, to make an announcement in this House, quoting figures that we have not even started discussing. Discussions will have to be held with the provinces, and that is certainly what we intend to do.

* * *

[*English*]

THE ECONOMY

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, my question is for the Secretary of State for Financial Institutions. One of the greatest concerns of Canadians during the referendum campaign was economic stability. After last night's vote for Canada markets have stabilized and the dollar has strengthened.

People expect the federal government to ensure the stability of the financial system. Could the secretary of state tell the House what the government is doing to protect Canadians from the shocks that may arise from unauthorized trading in derivatives?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am glad to hear the member's interest in that subject because the government believes the derivatives market is an important market in the country. The Superintendent of Financial Institutions has taken some major steps in the last little while to handle that.

First there has been a guideline for best practices in derivatives and then last Friday there was a guideline on derivatives disclosures to improve public disclosure. Both these measures are important developments for the safety and security of the financial system.

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OFFICIAL OPPOSITION

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the Prime Minister has catered to the separatists in the House. His government supports them as the official opposition. His government has elected them as committee chairmen and his government has changed the agenda of the House for the separatists. The separatists in the House have been granted special preferential treatment.

My question is for the Prime Minister. Why is this happening and when is it going to stop?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will be the defender of British tradition in the House of Commons. Under this parliamentary system there is an official opposition. We do not choose it; we take it as it comes. The tradition is that in committees we allocate jobs according to the status of the official opposition. They are members of Parliament. They are members of Parliament elected to come to Ottawa.

They wanted to break up Canada and they did not succeed yesterday, so they are still members of Parliament in Canada and they have the right to sit on committees. With respect, it is a tradition developed in the British parliamentary system, and coming from rural Quebec I am happy to defend the British tradition.

• (1445)

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the reason the separatists are in the House is the Liberal people who have sat in the House for some 30 years have not dealt with the problem before.

We have been in the House for 45 days and there has been no agenda except for the agenda of the separatists. There has been no legislation before us. There has been no fiscal plan. The country is leaderless and the government sits and still does not give us any leadership.

As the House leader for the Reform Party, where and when will we have an agenda for Canadians rather than an agenda for the separatists?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the House has been dealing with important legislation presented by the government each and every day the House has been sitting. It has been dealing with private members' legislation, in some cases presented by the Reform Party.

The oddest thing about the rather odd question of the Reform Party House leader is that on a number of these occasions he has participated in the debates. He must be in a dream world more than he usually is.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, allow me to remind the Prime Minister that, before making petty comments on the official opposition, he should remember that, yesterday, a majority of his constituents voted yes in the referendum.

My question is for the Minister of Finance. During the last federal election campaign, the Liberals, and particularly the Prime Minister, promised to eliminate the GST by January 1996. On March 2, 1994, the Prime Minister again said: "We hate that tax and we will abolish it".

Can the Minister of Finance tell us why, after more than two years in office, he still has not made good on his promise to abolish the GST, and whether or not he intends to fulfill that commitment before January?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, a commitment was made to replace the GST with a tax that would be fair and much more effective for consumers and small businesses in Canada. Clearly, these groups want a harmonized tax. We are having discussions with the provinces, because this issue requires co–operation from both sides.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, that effectiveness is always slow to come. I have a supplementary for the Minister of Finance.

Does he still intend, as do his Liberal colleagues on the finance committee, to go ahead with a suggestion to hide the GST in the sale price and to impose that tax on food items and on drugs? Is that the type of change proposed by the Minister of Finance to his provincial counterparts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as I said, we are having discussions with the provinces on that issue. Something will eventually come out of those discussions. The hon. member knows full well that the whole issue of whether that tax will be included or not depends on the provincial laws. I am sure that he would want us to respect the true boundaries of provincial an federal jurisdiction.

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[*English*]

TRAINING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the Minister of Human Resources Development has used every available excuse to avoid making meaningful social reform. He keeps telling us he has offered to the provinces the responsibility for manpower training.

When will the minister specifically give power to the provinces for manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, to use the old saying, it takes two to tango. We can only get an agreement when the provinces are prepared to agree. We are actively engaged with several provinces at present to work out how we can collaborate and work together on developing a much more effective program.

• (1450)

I remind the hon. member for Calgary Southeast that the real issue in the country is what is the most effective way in which all governments can work together to get people back to work? It is not a question of jurisdiction or power; it is a question of getting people back to work and how we can work together to achieve that end.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let us focus for a minute. Yesterday and last week the minister stated he had offered manpower training to the provinces. Yet after having contacted three provincial governments I have confirmed that the minister has not made any official offer to the provinces to give them manpower training. Instead he is holding up negotiations.

If the minister is truly committed to giving manpower training to the provinces, why are the governments of B.C., Alberta and Ontario not aware of any offer?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the reason they are probably not aware is that the message was so garbled by the hon. member that they did not understand what was being discussed.

We have already signed an agreement with the province of Saskatchewan. I have met with the ministers of each of the provinces mentioned. We offered a year ago to put on the table a transfer of responsibility for institutional training to all the provinces but they do not want to respond just yet. It is their responsibility.

In the full atmosphere of open co–operation and reaching out, any time a provincial minister wants to make a deal with me I will be there for that meeting.

* * *

BANKING

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Secretary of State responsible for International Financial Institutions.

The banks of this country are holding customers' cheques for final clearance often for weeks. Everyone knows the banks within our system clear their cheques within 24 hours. The United States banks are required to pay up after 72 hours.

What will the minister do to stop the banks from profiting from this practice at the expense of average Canadians?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am pleased to have the opportunity to say we have a clearing system in Canada which does same day clearance of both the debit and credit side of items. The banks, in their internal organizations, occasionally hold funds but the credit to the account is made right away. There is no loss of interest. The interest is paid, I understand, in most cases right away from the date of deposit.

[*Translation*]

PURCHASE OF SUBMARINES

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, Great Britain is maintaining its offer to sell four submarines to the Canadian Navy for $500 million dollars plus the use of our military bases.

The British Minister of Defence has indicated that the offer is still valid, despite the Canadian government's delay in proceeding with the transaction.

My question is for the Minister of Defence. Given the terrible financial situation the federal government is in, can the Minister of Defence tell us whether he has given up on the idea of purchasing four used British submarines for $500 million plus other considerations?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, there has been no decision to date.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, how can the minister justify such a purchase of submarines at the cost of half a million dollars at this time, when the cold war is well and truly over and Canada has no need of such submarines?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I find it very difficult to justify a purchase which has not been made.

* * *

THE CONSTITUTION

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in recent days and again today the Prime Minister has indicated he may soon pursue some constitutional negotiations.

• (1455)

Is it his intention to pursue constitutional negotiations with the Parti Quebecois in Quebec. Based on past history, would he expect those to be fruitful? Would he expect to find Mr. Parizeau an open, positive and constructive participant in constitutional negotiations?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, of course if we were to have such negotiations they would be with all provinces. I hope that if they are in the interests of Quebec Mr. Parizeau will accept.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, based on his past experience after the referendum in 1980, does the Prime Minister really think it is wise to enter into constitutional negotiations with a PQ government which has lost its own constitutional mandate and which could well find itself isolated and weak at the bargaining table?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we do not intend to get involved in long constitutional discussions, as was the case after 1980. That is not the intention of the government. If something can be done with the agreement of the provinces we will do it. Quebec will assess the proposition and will render a view.

I do not intend to put on the table a long discussion on constitutional change. A lot of changes can occur in Canada without touching the Constitution.

We are doing that all the time. To give an example, the Minister of Transport has planned for over three years to reduce the size of his department from 20,000 people to 3,000 people. He is giving airports to municipalities and other things are being privatized. There are lot of things we can do without having to change the Constitution and the Minister of Transport is doing some now.

Some hon. members: Liberal Tories.

* * *

THE ECONOMY

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, in case some members are mistaken, this is not about Liberal Tories, this is about standing up for Canada.

Some hon. members: Hear, hear.

Mr. Charest: My question is to the Prime Minister. My colleague from Saint John and I campaigned about change in this referendum. I know the Prime Minister also talked about change.

Given the fiscal situation of the country, I would like to know whether he would contemplate seizing this opportunity to propose to the provinces a common national plan for deficit and debt reduction so that the country could deal with the issue with one single mind and look at common objectives to balance our books and get our fiscal house in order and help all Canadians deal with what is the most pressing issue facing them today.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first I would like to offer my congratulations to the hon. member for his great contribution during the referendum.

We are political opponents and we will remain political opponents. Despite our political differences, we were both fighting to keep this country together. I was very proud to walk with him.

• (1500)

I would like to thank him on behalf of all Canadians, including Quebecers, for the passionate speeches he made during the referendum. It was very much appreciated. He did not try to score any political points. He just wanted to keep his country together.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): In terms of talking with the provinces about a program to reduce the deficit of every level of government, I have to report to the hon. member that the Minister of Finance is always in communication with other ministers of finance. That is a goal every provincial government is trying to reach at this moment. We try to do it in collaboration with each other because it is very important that we manage this problem.

Today, now that political stability has come back to the country the interest rate went down by 1.5 per cent and the Canadian dollar increased its value to 75 cents. We now have to get back on the real agenda of putting the affairs of this nation on the right track and creating jobs. The people will be better off for that.

* * *

[*Translation*]

CONSTITUTIONAL REFORM

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Prime Minister.

At a time when Quebec has the highest poverty rate in the country, the Liberals are making massive cuts to social programs and unemployment insurance. Given the extremely close results of the referendum, will the Prime Minister drop his devastating policies, reject the demands of the Reform Party to dismantle the federal government and keep his recent promises of constitutional reform, including recognition of the people of Quebec as a distinct society?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I thank the member for his question. We intend to go ahead with our legislative program, which is widely known, and with what I announced in my speeches last week. I intend to keep my word. How will we proceed? As I said earlier, the matter will have to be discussed with the provinces, because there are certain ways we can do it with the provinces, and there are other ways where Parliament can act alone. So we are looking at various possibilities.

As I have always said, I recognized Quebec as a distinct society and I did so during the campaign. I supported the Charlottetown accord, whereas the Leader of the Opposition did not. I supported the Charlottetown accord, which recognized a distinct society. I know that the hon. member also supported it. I also know he would do so again, if he had another opportunity.

GOVERNMENT ORDERS

• (1505)

[*English*]

EXCISE TAX ACT

The House resumed consideration of Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee; and of Motions Nos. 1 and 2.

Mr. Walker: Mr. Speaker, I rise on a point of order. Just before the break for question period the member for York—Simcoe was in the middle of her speech, but unfortunately because of other parliamentary business she will not be able to finish her speech. Therefore I think the House is ready for the question on the first motion.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

I declare Motion No. 1 lost on division. Therefore Motion No. 2 is defeated also.

(Motion No. 1 negatived.)

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 3

That Bill C–103, in Clause 1, be amended by deleting lines 43 and 44, on page 5 and lines 1 to 6, on page 6.

He said: While I have the chance, I want to pass on my congratulations to you, Mr. Speaker, and also the congratulations of many members of the Canadian Association of Broadcasters for the wonderful job he did in this Chamber last Saturday night of explaining the history of this place and also reminding broadcasters and through them, all Canadians of the value of this great country. I just want you to know how deeply people appreciated that.

Mr. Speaker, I am here to address Bill C–103. Specifically in Motion No. 3, we are asking that the imposition of the 80 per cent excise tax in Bill C–103 be deleted.

I want to speak to this bill in a larger way. I want to address some of the things which came from the hon. member for Don Valley West and the member for Rosedale. They were talking about how Canadians could not compete in the face of the overwhelming economic advantage the Americans have when it comes to certain sectors of the economy.

I guess we have to remind those hon. members that we have heard over and over again the debate on how Canadians cannot compete against the Americans. I am going to have to point out that for 128 years as a country we have faced competition from a much larger and much more powerful country to the south of us, but inevitably when the trade barriers are knocked down and we compete head to head, Canadians do extremely well.

I remind hon. members and I remind the Parliamentary Secretary to the Minister of Finance that it was not very long ago during the free trade debate when wine producers and grape growers were extremely concerned about the effect of free trade on their industry. It was going to be the end of the production of wine in Canada. An American juggernaut was going to roll across this country's wine producing regions, southern Ontario, the Okanagan and other areas.

• (1510)

For crying out loud, it was just a few weeks ago that the Calgary *Herald* ran a big edition about how successful the wineries are in the Okanagan region. A member across the way from the Niagara region has done extremely well with his winery despite the fact that we have free trade and despite the fact the Americans had all the advantages of the economy of scale which this government says it is so concerned about.

The government is using that economy of scale as an argument for preventing *Sports Illustrated* and other magazines from using split run technology, getting into Canada and going after advertisers in this country. Frankly, those arguments do not hold water. The economy of scale has always been there. Instead of complaining about it, let us use it to our advantage.

When we were talking about this legislation in the finance committee a gentleman came forward representing the interests of Quebec magazine publishers. He talked about the big bad Americans and how France was going to come in and roll over magazine publishers. He did not just talk about them, he talked about the big bad Swedes, the big bad people from Belgium and the Swiss. If my memory serves me correctly, I think we are at least as big as those countries. We are at least as economically powerful as those countries but he was worried about the effect those magazines would have on French publications in Quebec.

Instead of whining about this, instead of pretending or suggesting we are victims, why do we not simply turn the tables on them? Why do we not go after their markets? I would argue that the people of Quebec and the people of Canada can produce magazines and editorial content that can compete with the best in the world. There is no reason in the world we cannot be selling that product to the French speaking population in Switzerland. There is no reason we cannot go into Belgium. There is no reason we cannot go into French speaking and English speaking countries around the world. What are we afraid of?

I pointed out earlier today that I was at the broadcasters convention this weekend. The broadcasting entity CanWest Global is doing extremely well in New Zealand and Australia. Just the other day Power Corp. out of Quebec as a conglomerate won a bid for the fifth channel in the U.K. I am told that Power Corp. is the largest broadcaster in Europe. It is a Canadian company.

What are we afraid of? What is the parliamentary secretary and the government afraid of? Our magazine industry can compete. We do it in every other sector. Why in the world should this sector be any different? Let us forget about these phoney arguments which are old and have been proven to be false in every other sector. Why in the world can we not push ahead and compete freely? Certainly the Americans compete freely in the magazine publishing industry.

I heard these straw men being thrown up by the member for Rosedale about how the Americans are protectionist. I agree they are in many sectors but they are not in this one. Let us go head to head. Two wrongs have never made a right. No one agrees with protectionism in this House or at least members on our side do not.

Let us forget about those straw men arguments. Let us push ahead with real free trade. Let us approve this amendment and get on with the business of making sure Canadians can profit from their expertise in this industry.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the House for the opportunity to rise on Motion No. 3 put forward by the hon. critic from the third party, the member for Medicine Hat.

He asked a rhetorical question as to why the parliamentary secretary for finance was afraid of competition. I would like to set the record straight. Neither the parliamentary secretary nor his government are afraid of competition.

• (1515)

If we look at the question differently and ask what we are proud of, we are very proud of the Canadian magazine industry. We are very proud of the fact that we have within Canada a very strong and flourishing industry. In fact one of the associations involved, the Canadian Magazine Publishers' Association, has about 300 members. This gives us an idea of the strength being brought to the Canadian market by the Canadian industry.

This strength has not been there by a wish or by a magic wand. The strength of the Canadian magazine industry is in fact predicated upon 30 years of actions and 30 years of considerations by the federal government. It began with a study that is known as the O'Leary royal commission and went on to be studied later in the 1960s by Senator Davey, who is still of course in the upper chamber, who looked at the problems in the Canadian communication industry.

It is not simply a case of taking a look at one segment or the other. I was happy to see that the hon. member got a chance to meet the broadcasters and talk to them about some of their ambitions. He too probably heard from the Canadian Broadcasters' Association about how proud they are of the regulatory regime, which allowed companies like CanWest to grow and prosper.

Mr. Monte Solberg (Medicine Hat, Ref.): No, actually they are not.

Mr. Walker: I can tell the hon. member from many conversations with the people from CanWest that they would not exist if a licence had not been given to them by the Government of Canada.

The regulatory framework set up by this government in previous times is what makes it possible for that industry to get together on an annual basis. We are very proud as Liberals of the contribution we have made. Those people, because of the base they have in Canada, have gone off now to compete with the world. But we do not compete with the world until we have a company, and we do not have a company until we have a regulatory base. They did not have a regulatory base until they had a good Liberal government. It is as simple and as straightforward as that.

In the publishing industry the key thing to remember, which has not been pointed out perhaps enough in this debate, is that subject to questions of pornography and so forth, any magazine that wishes can enter the Canadian market and be circulated and read. It does not matter whether they are coming from the American market, from the European market or anywhere else in the world. They can come into Canada, put it on the newsstand, set a price, and people read it. That is competition.

What Canadian publishers have worried about and we as a government have worried about for the last 30 years is the ability of larger companies to use the strength of their organization to undercut the advertising market within Canada. We were convinced originally when we set out these measures that certain protections were needed for the Canadian industry. As a result of the steps we took we have seen an industry flourish. We have seen people have careers in writing. We have seen Canadian subjects come up. We have seen a great deal of research done. We have seen magazines make a profit and we have seen a whole new set of publications that simply were not available to the Canadian reader before that.

From time to time governments have to review their structure to make sure they are up to date with technology. The broadcasting industry is changing dramatically and quickly because of changes in technology dealing with direct broadcasting techniques, new uses of cable, new uses of the telephone system. We are working hard with the CRTC to keep up with these changes. In fact the government just appointed a commission to look at digital television to see the impact it may have on communication systems.

We have a change in technology, which made the regulatory framework we were involved with obsolete. I am not going to speak to the motivation and whether it was done by happenstance or whatever, but somebody saw an opportunity to come into the market and make use of a split run to affect negatively the advertising dollars available to the Canadian industry.

We did not move on this quickly. The last government set up a task force. The last government announced publicly that it was concerned about what had happened, that it was likely to make changes. That task force met, studied the issue for close to two years and made public its recommendations. Perhaps later I will come to those recommendations. It suggested that the government update its regulatory framework to take into account the new technology. That is what the nature of Bill C–103 is. It is an updating of a strategy that has shown itself to be very positive, very influential and supportive of the Canadian publishing industry. Those who know Canadian publishing know it is not an industry that creates tremendous wealth. It is not one in which there are moguls involved in huge companies. They are very much small shops in Canada where people take a great deal of pride in their magazines.

• (1520)

I have a very close friend whose magazine unfortunately did not go as far as he would have liked it to have gone, but the love of that magazine captured his life for a couple years. He enjoyed trying to strike out a market and see it published. Among his friends there is a little club of people with failed magazines. It is a proposition that is enticing and daunting at the same time. People lose a lot of money in magazines. At the same time, the desire to nourish along a project and the desire to build something unique in the Canadian market is something we admire as a government. We did not want to see practices emerge that in fact made it more difficult to survive and the publication industry more fragile.

I was struck by the arguments put forward by the Canadian Magazine Publishers' Association when they appeared, I believe two weeks ago, in front of the finance committee. Their arguments were coherent and logical. They understood their responsibility in terms of a product people will read.

Everyone in the House probably goes by a news stand on their way to the airport to go home for the weekend. They probably pick up some sort of magazine. I do not think any of us would stop and not buy something because it was from another country. I do not think we would say as a government we do not want to see these publications, not at all. If we look at the news stands we see there is easy access to magazines from other countries right in front of us. I think we should remember that. We should not raise the spectre that somehow the government has arbitrarily taken away the right to distribute a magazine in Canada or the right to make profit out of this Canadian market.

I will bet there are many Canadians, including myself, who regularly buy magazines from other countries and do not think twice about it because of the news and perspectives they bring us.

Simply stated, without Canadian advertising there would not be a Canadian magazine industry. Therefore, we have to make sure there are opportunities for those advertising dollars to be accessed by the Canadian publisher. That is the intent of this act and will continue to be the intent of this government in support of the industry.

In speaking directly about the amendment to Bill C–103 as proposed by the member for Medicine Hat, let me make the following comment. Motion No. 3 would prevent the application of the proposed excise tax on split run editions altogether. This motion is therefore inconsistent with the vote of this House to adopt the ways and means motion and the approval in principle given to the bill by the House at second reading.

By debating the imposition section of the tax on split run editions this motion fails to recognize the important objective the split run tax is intended to achieve. In particular, the tax will update the government's policy instruments in support of the Canadian magazine industry and therefore allow the government to support the continued existence of a viable and original Canadian magazine industry. That is why we are sticking by our original intent in this and will not support this motion.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I rise to speak to Motion No. 3, but I do want to comment on a couple of things that were said earlier this afternoon by the member for Don Valley West and the member for Rosedale. They both talked about how our Canadian magazine industry would not be able to compete if they did not have some type of protection. I reject that notion. They are talking about national security interests. They are talking about how we will be dominated by the United States because it is so much bigger and has so much more economy of scale.

• (1525)

My colleague from Medicine Hat talked earlier about other experiences with free trade. When we entered into a free trade agreement with the United States we heard the argument over and over that many of our industries would take a mortal hit and not be able to compete.

We know this government was not in favour of the free trade agreement. It did a flip–flop at the last minute. Now I really question their sincerity about their commitment to free trade.

What is the experience with other industries? My colleague spoke about the wine industry and how well it is doing. I can tell members about agriculture, the industry I have some knowledge of.

Our biggest fear is the destruction of an industry. We are hurt far more from subsidies and protectionism than we are from making trade rules that let us compete internationally on a basis of fair play. We think we can compete a lot better on the basis of quality product than we can on the basis of having to subsidize, because we cannot compete with the treasuries of other countries. Canada is simply too small.

When we talk about security, what about agriculture, food supply security? Do we need regulations to protect that? We have found that we do not. The cattle industry is a good example. There was a big fear that the cattle industry in Canada would be basically decimated with free trade. What is our experience? Since 1988 we have had something like a 40 per cent increase in cattle sales to the United States.

We can do very well on the basis of a level playing field and free trade. Our cultural industries can also do very well. They can compete head to head. We have to produce a quality product to do that, but we are up to it.

The amendment we are talking about today strikes out the section of the bill that would impose an excise tax on periodicals equal to 80 per cent of the value of their advertisements. Our amendment goes to the heart of the bill and strikes out its most offensive part. It is assumed that this excise tax will never be collected because it will effectively kill the Canadian edition of *Sports Illustrated* and any similar ventures that could be on the drawing board.

It is folly for this government to attempt to protect Canadian culture in this or any other manner. If our cultural industries produce quality products of interest to the Americans or any others around the world, let them go out and sell to those markets in whatever way they can based on the marketplace. I am confident they will be able to compete. If Canadians prefer to buy American culture products that have been spiced up with some Canadian content, by all means let them, but I do not think we should be using cultural protectionism here because it probably hurts our industry rather than helps it.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say yea.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

An hon. member: On division.

The Speaker: Motion No. 3 is negatived on division.

(Motion No. 3 negatived.)

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 4

That Bill C–103, in Clause 1, be amended by replacing lines 18 and 19, on page 6, with the following:

"39. Where, before the date that this Act is assented to, a particular number of".

He said: Mr. Speaker, it is a pleasure to rise and address Bill C–103, particularly this amendment.

This amendment is designed to delete the clause that really takes an arbitrary poke at one particular magazine, *Sports Illustrated*. The legislation is retroactive and most parliamentarians probably feel it is not a good way to approach these things.

• (1530)

I want to say a little more about the principle behind protectionism and whether or not we can all of a sudden set aside a particular sector on the basis that it is somehow different, even though the facts show that it ain't necessarily so. We have seen this over and over again in all kinds of sectors of the economy.

When we discussed it in committee we raised the issue of the retail industry. One thing I pointed out was that we had contradictory ways of doing business. We have the retail sector and all kinds of American companies coming into the country and doing well. By the way, Canadian companies also go into the United States and do well because they are able to provide some value to the consumers in those markets. It may create a situation where people can go into a store and perhaps get something for less than they had been paying because somebody has seen they can make a profit by offering products for less. When that happens consumers have more choice, better value and ultimately more money in their pockets as a result.

Let me apply the debate to what has happened with *Sports Illustrated*. *Sports Illustrated* was coming into the country. It was offering the advertisers a product that was at least competitive or perhaps even a little less than what Canadian advertisers were charging. That was despite the fact that *Sports Illustrated* did not have access to the tax deductibility provisions available to magazines that carry 75 per cent Canadian content. It was still able to offer extremely good value.

People will ask what that does for Canada. It allows advertisers either to get more bang for their buck through their advertising, thereby increasing the reach of their advertising message, or it allows them to improve their bottom line, to have more profit. What does that do for the country? If there is more profit of course there is more disposable income that can be spent on other goods and services. That is basic economics, economics 101.

Even though cultural product is difficult to define, I do not buy the argument that just because it is a cultural product we can throw the economic arguments out the window. They apply in every other sector and they certainly apply in the area of culture.

I encourage my friends across the way to remember that although culture is important we cannot go around suggesting that it runs by a different set of economics. That is not the case at all.

I have pointed out with respect to other Canadian cultural industries that given a chance they will prosper. They do not need government intervention. They do not need government protection. We see it over and over again, certainly in the cultural industries but in other industries as well.

It is a very arbitrary move to go back, to pick out SI in particular and to say it is not allowed to do that. Even going beyond that I would say it is time we truly had free trade in the country and truly applied it to the cultural sector. Canadians would take advantage and turn the tables on the Americans and the rest of the world because we have a superior product. We have the best artists, the best actors and the best writers in the world. They could do battle with any country in the world and not only compete but win.

I am asking the House to adopt the measure and ultimately defeat Bill C–103.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the opportunity to speak on the last of the amendments proposed by the third party through the work done by the member for Medicine Hat.

• (1535)

The issue of split runs that we are talking about is very important to the country and, as I said earlier in the debate, has a historical context. One has to go back to the O'Leary royal commission in the early sixties and be familiar with the work of Senator Keith Davey. A decade later we dealt with the newspaper industry. Canada has constantly had to go back to look at the vehicles it should be using to promote its own culture.

This will not be an exclusionary role. This will not push away other meaningful cultures. We are very involved, for example, with the American culture. They are our best neighbours, as they have shown in recent weeks, and perhaps our most important ally in the world. It will also put into context that which we have to do within Canada to promote Canadian culture.

In so doing we try to make sure people from around the world feel welcome in our markets. If they have products they would like to distribute in the Canadian market, whether it be films, television, magazines or books, they are readily available to all Canadians.

In my former life I was an academic. Nobody more than somebody trained as an academic can feel the pressure of censorship, the pressure of not having access to information to make sure they can contribute to the dialogue in their disciplines, in the public and with our students. It is essential to have access to information that no one else has filtered.

The approach of the government is not in any way, shape or form to prohibit access to materials of benefit to Canadian sports fans. I know the Speaker has probably picked up an occasional *Sports Illustrated*. I have looked at the *New Yorker* cartoons to pass the time on a flight back to Winnipeg. These things we love to do and would love to share with other countries.

The Canadian magazine industry has been a particularly vulnerable and difficult industry. We are proud of the way it has responded to measures in the past 30 years and we hope it will continue to do so.

The cornerstone of our current policy as embodied in Bill C–103 is not the work of a group of officials working secretly in a department or of an industry led group trying to push through some protectionist measures. Rather it is a function as a result of the work done by a task force set up in 1993 by another government to deal with the issue posed by a Canadian edition of *Sports Illustrated*.

In chapter VII the task force talks about a renewed framework of support. Because this report is pivotal to our understanding of what we are trying to do, I thought I would take some time in the House to read some key paragraphs into the record so that we all understand why the government is proposing what it is proposing. In part it states:

> Free speech would lose much of its potency if there were no Canadian magazines. Without the means to express a distinctive voice speaking to a Canadian audience, cultural expression, social cohesion and a sense of national destiny would be impaired, if not irrevocably damaged.
>
> As part of their heritage, Canadians are doubly fortunate to have unparalleled access to publications from around the world. It is the task force's desire to maintain this freedom of choice, and the measures it is proposing do nothing to deny Canadians the right to purchase the magazines of their choice. We cannot make our borders impenetrable even if we wanted to, which we decidedly do not.
>
> The object of the task force recommendations is not to discourage readership of foreign magazines, but to maintain an environment in which Canadian magazines can grow and prosper in Canada alongside imported magazines. This is a high–wire balancing act that the task force is attempting to accomplish.
>
> The measures we are recommending are consistent with the broad principles of the cultural and media policies of successive federal governments since the 1930s. These policies have been developed in response to the fact that the cultural industries in this country—film, television, sound recordings, books and magazines—are largely dominated by foreign products.
>
> If left to market forces alone, a day could arrive when Canadians would no longer enjoy the choice that they have today between foreign cultural products and those developed for the Canadian market. There simply would be no Canadian product because of the relatively small size and the vulnerability of our cultural industries.

• (1540)

These are words of warning from a group that has spent a long time looking at the issue. It goes on to state:

> The Government of Canada has adopted a variety of policies and measures to strengthen the viability of Canadian cultural producers: it promotes, for example, Canadian ownership and content in the broadcast media; it requires the review of investment by foreigners in businesses relating to Canada's cultural heritage and national identity; and it encourages Canadian ownership and original content in the newspaper and magazine industries.
>
> The recommendations of the task force follow in this tradition, while at the same time seeking to ensure that Canada's rights and obligations under international trading arrangements, such as the GATT, the FTA and the NAFTA, are respected. We have also been careful to ensure that the measures we are proposing represent a proportionate response to the problems being faced by Canadian magazines, which have been outlined in detail in the body of this report. We are convinced that what is being proposed interferes as little as possible with freedom of expression or choice. Indeed, in the final analysis, we are seeking to expand choice by ensuring the continued availability of magazines with original content.

Later it concludes with the following:

> Although favouring the development of original editorial content, regardless of country of origin, goes beyond the narrower focus of promoting only content of Canadian origin, the task force is of the view that, on balance, it is better to aim wide and comply with trade obligations by promoting original content than to target a narrow field and end up in protracted disputes with Canada's principal trading partners by promoting Canadian content alone. In other words, although it is quite obvious that the task force is concerned with the survival of magazines expressing a Canadian

perspective and view of the world, it believes that the best way to achieve that objective is to promote original content, regardless of country of origin.

By promoting magazines with original content, we will meet the objectives and at the same time meet Canada's international trade obligations.

In conclusion I will spend a minute on the specifics of the motion proposed by the member for Medicine Hat on behalf of the Reform Party. Motion No. 4 would allow split run periodicals distributed in Canada to be exempted from the split run tax based on the number of split run issues distributed in Canada during the 12–month period prior to the day the bill receives royal assent. The motion would therefore fundamentally alter the limited grandfathering treatment of split run periodicals distributed in Canada that is proposed in the bill and is therefore inconsistent with the vote of the House to adopt the ways and means motion and the approval in principle given to the bill by the House at second reading.

The motion ignores the fact that on two occasions in 1993 the government clearly warned magazine publishers that should they decide during the work of the task force on the Canadian magazine industry to undertake any new publishing activity that would contravene or sidestep the government's policy objectives for the magazine industry, they would be doing so at their own risk. The motion would also send the wrong signal in that it would reward magazine publishers whose actions, while not directly contravening tariff code 9958, offend the spirit of the legislation. For this reason the government opposes the motion.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, Motion No. 4 deletes the cut off date which qualifies *Sports Illustrated* from issuing split run decisions in Canada but allows others like *Reader's Digest* to continue. It is ironic that the government is bringing in legislation to cut off *Sports Illustrated* but it is going to let *Readers Digest* continue with the same thing. Obviously *Sports Illustrated* is being unfairly targeted.

• (1545)

Changing the date of the grandfathering provision allows *Sports Illustrated* to escape the provisions of the bill and averts the trade war that could result if *Sports Illustrated* is suddenly prevented from issuing split run editions.

It is true that Canadian culture was exempted under NAFTA's trade rules, but the Americans did retain the right to retaliate in kind if they so wished. The government believes that the Americans cannot and will not do that because the bill uses a roundabout way to protect Canadian periodicals. I think the government is wrong. Americans can make life very miserable for Canadian exporters in all kinds of ways and we may see that retaliation. They can do that whether it is justified or not, but in this case they definitely have the right to retaliate. Some other industry is going to bear the brunt of this ill conceived policy.

This bill should raise a red flag for the government. Even if the government does not have problems with the idea of this bill, it should at least recognize it as a provocation for a trade dispute and realize that the timing is all wrong. All we need is to get hit in another industry with retaliation because of what is happening with this ill conceived bill.

I support my colleague's amendment.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is a pleasure for me to take part in this report stage debate.

Bill C–103 is one element in the longstanding policy supported by various governments in Ottawa. Governments long ago recognized the importance of the Canadian magazine industry and the affirmation of the Canadian personality. Allow me to take this opportunity to describe the background of the various measures put forward by the Canadian government in an effort to support the development of this major sector of our cultural industries.

The Canadian government has been concerned about the status and survival of the Canadian magazine industry almost since the beginning of the 20th century. Government's original concern was simply to ensure that Canadians had access to periodicals from around the world. It was a question of communication, in other words, the possibility for Canadians to have reasonable access to periodicals wherever they live.

[*Translation*]

Another major concern of the government, editorial content, came later. Initially, the aim of federal policy was to give Canadians an opportunity to enjoy and appreciate the arts, so the Canada Council was founded in 1957.

The emphasis was on the quality and quantity of the cultural product in Canada. There was no specific attempt to find out whether Canadian interests were involved in the creation or production of this product. There was no concern for culture in the broader sense, only for the arts. Since 1957, the Canada Council has supported periodicals of an artistic or scientific nature with subsidies, modest though they may be.

A third concern arose sometime before the Canada Council was created and has become increasingly important in the past 30 years. I am referring to the issue of Canadian content and Canadian cultural identity in the broader sense.

[*English*]

While we were concerned with promoting Canadian ownership and content, we realized that we must not close the door to foreign periodicals. We simply must prevent them from gaining too many advantages on the periodicals market in terms of economic advantages arising from intensive production, dis-

tribution, access to capital, or a well established reputation among Canadian readers. The key to this policy is advertising and postal distribution.

Thanks to legislative measures implemented progressively pursuant to the recommendations of the 1961 Royal Commission on Publications, commonly known as the O'Leary commission, and the 1970 Special Senate Committee on Mass Media, magazines printed in other countries were prevented from entering Canada when they contained advertising directed specifically at the Canadian market. Canadian advertisers were thus encouraged to place ads in Canadian magazines.

• (1550)

[*Translation*]

I would like to elaborate on the role played by the O'Leary commission in identifying measures to promote the development of the Canadian periodical industry. In 1961, only 25 per cent of the magazines distributed in Canada were Canadian. It became imperative for the Canadian government to do something about this situation. This led to the appointment of the Royal Commission of Inquiry on Publications.

Following a long series of hearings and extensive research, the commission was able to assemble all the elements it needed to establish the status of the Canadian periodical industry in the early sixties. It was clear that the industry was facing serious problems and that the government had to act. Members of the commission found that between the two sole sources of magazine revenue, circulation and advertising, there was a durable and mutually beneficial symbiosis which they defined as follows, and I quote:

"Behind all this is an important spiralling action, fundamental to periodical publishing; the larger a periodical's circulation, the more advertising it can attract; the greater its advertising revenue, the more it can afford to spend on editorial content; the more it can spend on editorial content, the better its chances of obtaining more circulation."

It became clear that advertising revenue was essential to the Canadian periodical industry. Consequently, the government decided to do what was necessary to channel Canadian advertising revenue to Canadian periodicals. The development of a policy for this purpose was instrumental in creating a strong financial basis for the industry.

Section 19 of the Income Tax Act was adopted in 1965 and became one of the main tools for implementing the federal government's policy on magazine publishing. According to this section, only purchases of advertising aimed at the Canadian market and inserted in Canadian periodicals were tax deductible. This section also provided that to be eligible for the tax deduction, the taxpayer had to advertise in a magazine with at least 75 per cent Canadian ownership and a ratio of original editorial content of at least 80 per cent.

[*English*]

Second, the members of the Royal Commission on Publications recommended that foreign periodicals containing advertising intended for the Canadian market should be denied entry. Customs tariff code 9958 was created in 1965 pursuant to this recommendation. Since these measures were implemented, Canadian magazines have multiplied and diversified.

In 1959, before the introduction of these two measures, Canadian magazines represented 23.3 per cent of the magazines distributed in Canada. The proportion rose to 29.9 per cent in 1971 and 39.4 per cent in 1981. In 1992 Canadian magazines represented 67.6 per cent of the magazines distributed in Canada.

These mechanisms must now be updated in response to the advent of new technology in recent years. The electronic transmission of proof pages produced in other countries for printing and distribution in Canada was not envisaged when these policy instruments were designed in 1965.

The need to modernize government structural measures became particularly clear in January 1993 when Time Warner officially announced its intention to publish *Sports Illustrated* in Canada. In an effort to avoid the application of tariff code 9958, Time Warner chose to print *Sports Illustrated* in Canada using editorial material transmitted electronically from the United States. This situation demonstrated the existence of a loophole in our structural measures and the urgent need to update the Canadian policy on magazine publishing.

• (1555)

[*Translation*]

On March 26, 1993, the government announced the creation of a task force responsible for reviewing the various issues affecting the Canadian magazine industry, including its trends and evolution, the Canadian advertising market, the impact of technological progress, the international aspects, the regulations, and the effectiveness of current policy implementation measures.

The government wanted to ensure that the measures taken to promote the development of this industry were up to date and effective. These measures included Customs Tariff Code 9958 and section 19 of the Income Tax Act mentioned earlier.

Barely two weeks after announcing the creation of the task force, the government said that this task force on the Canadian magazine industry would have two joint chairmen and would be composed of volunteer experts representing Canadian magazine publishers, advertisers, consumers and the legal community.

The joint chairmen of the task force on the Canadian magazine industry, Patrick O'Callaghan, journalist and former editor at Southam Press, and Roger Tassé, former deputy minister of justice, carried out their mandate with the help of a group of seven volunteer consultants representing all regions of the country. They came from the advertising industry, consumer associations and the Canadian magazine industry; some even had some experience in international trade.

This review of the measures in place to help the Canadian magazine industry was aimed at proposing other measures that would enable the government to meet its political objective of making Canadian information and ideas accessible to Canadians through truly Canadian magazines.

[*English*]

In March 1994 when the task force on the Canadian magazine industry submitted its final report, the government again acknowledged the valuable contribution the Canadian magazine industry makes to our economy, our culture and our heritage. On December 22, 1994 the government announced its response to the recommendations contained in the final report of the task force on the Canadian magazine industry. The government indicated then that it would address all of the task force's recommendations, including the recommendation for a new excise tax on all split run magazines containing advertising directed at Canadians.

[*Translation*]

The government then stated that an excise tax would be imposed on each copy of a split run edition at the rate of 80 per cent of the value of all the advertisements contained in the edition. Periodicals that would otherwise be subject to the tax are exempted from the tax based on the number of split run editions that were distributed in Canada before March 26, 1993, when the creation of the task force was announced.

Finally, this bill demonstrates the federal government's continued commitment to promote the growth of a Canadian magazine industry that is viable, original and dynamic.

[*English*]

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is a pleasure to speak on Bill C–103.

Bill C–103 will play a major role in maintaining a vibrant and flourishing Canadian magazine industry. I would like to present the House with the broader perspective of the government's ongoing commitment to this industry. This bill should be understood in the context of the long established tradition of government support to the Canadian magazine industry as well as the industry's contribution to the economy.

Most important, in a country where natural geography makes communications difficult, magazines play a key unifying role. Canadian periodicals are an essential medium of cultural expression for Canadians. They serve as channels for conveying Canadian ideas, information and values. They are an integral part of the process whereby Canadians define themselves as a nation. Moreover, beyond the direct social and cultural impact of the Canadian magazine industry there are sizeable indirect effects which contribute to the smooth functioning of the Canadian economy.

• (1600)

Canadian publications, both consumer and business, inform, educate and entertain but they also are an important advertising vehicle for Canadian products and services. While it is true there are other mass media which can reach consumers, the Canadian trade press fills a unique role in the economy by providing an affordable marketing tool for Canadian business and industrial suppliers.

These producers and services often face stiff competition from foreign companies which reach Canadian customers through spill–over advertising in American trade periodicals. In the absence of an active Canadian trade press reaching Canadian customers, an important segment of our economy would be left without a major communications and advertising vehicle.

Unfortunately Canadian magazines are confronted with a series of unique challenges: massive penetration of the Canadian market by imported magazines; the relatively small size of the Canadian population and its dispersion over a vast territory; the openness of Canadians to foreign cultural products; the effect of cover prices of imported magazines on the Canadian price structure; the impact of overflow advertising on the potential advertising market in Canada.

Even if the magazine industry has flourished culturally with over 1,300 titles, its financial position is fragile, with overall pretax profits of less than 6 per cent on revenues of $795 million in 1993–94.

In my opening remarks I mentioned the Canadian government has supported the domestic magazine industry and will continue to do so for many reasons. The principal reason is the importance Canadians place on having a means of expressing their unique identity and the difficult and challenging environment which the Canadian magazine industry faces.

The need for structural measures of support for the Canadian magazine industry has long been recognized by successive Canadian governments. Over the years a number of policy and program instruments have been designed and put into place which help to ensure the development of the Canadian magazine industry while not restricting the sale of imported periodicals in Canada.

Among them, the publications distribution assistance program, better known as the postal subsidy program, is one of the earliest nation building programs. It is designed to unify a country where natural geography makes communication difficult. Its main objectives are to support Canadian cultural identity and sovereignty, to ensure affordable access to subscriptions for Canadian periodicals and to provide stability in the level of distribution costs for Canadian periodicals in order

to permit publishers to develop and implement long term business plans.

Canadian consumer magazines have limited access to Canadian news stands. Less than one–quarter of Canadian magazine circulation revenue is derived from news stand sales. As a result, the industry relies on subscriptions to reach its audience. The postal subsidy, which finances concessionary postal rates for Canadian magazines, has been an important instrument in helping the industry to reach its market.

In 1989 this program was subjected to a cut of 50 per cent, from $220 million to $110 million, as part of a larger government–wide exercise to reduce public expenditures. I am pleased to say that in developing a plan for the implementation of the cut, a decision was made to focus support on subscriber paid periodicals versus non–paid or free publications. Furthermore, it was believed that periodicals, which typically have a national or regional focus and rely exclusively on mail distribution, should take priority over local publications which have alternative means of distribution.

As a result, the most vulnerable component of the industry was protected then and also more recently when the government had to reduce once again the amount of available funding. For the past two years we have limited the increase of the subsidized rates to 5 per cent a year. Therefore the postal program still enables Canadian magazines to reach rural or remote readers at a reasonable cost.

Fiscal measures provide another useful tool to support the magazine publishing industry without investing a considerable amount of money. Two fiscal measures encourage Canadian advertisers to use Canadian magazines to reach Canadian readers. The first measure, section 19 of the Income Tax Act, has been in place since 1965. For advertisements aimed directly at the Canadian market section 19 limits tax deductions of advertising expenditures to advertisements placed in Canadian magazines. A Canadian magazine is defined as one which is 75 per cent Canadian owned and controlled and whose editorial content is 80 per cent different from the editorial content of any other periodical.

• (1605)

The second measure is customs tariff code 9958. Tariff code 9958 prohibits the physical importation into Canada of split runs or special editions of periodicals whose editorial content is substantially the same as the original edition except for the advertising which has been purchased especially to reach a Canadian audience.

Until recently the tariff code dissuaded offshore magazines from soliciting advertising in the Canadian market. Moreover, it succeeded in doing so through voluntary compliance. These fiscal measures were put in place to ensure that the Canadian magazine industry had access to Canadian advertising revenues. There is no evidence that our current policy has made the Canadian industry any less efficient or less profit conscious than its foreign counterparts.

Financial support is provided to a number of cultural and scholarly publications through the Canada Council, the Social Science and Humanities Research Council and through a modest distribution program administered directly by the Department of Canadian Heritage.

Another initiative is the cultural industries development fund which was established in 1990 with a budget allocation of $33 million. Its mandate is to provide Canadian owned and controlled firms within the cultural industries with a range of flexible financing services with an emphasis on investment loans.

The CIDF was created in order to make loan money available to Canadian owned and Canadian controlled cultural firms to compensate for the shortage of capital available to Canadian cultural businesses and to improve their financial situation, the intention being that these firms will achieve a sound financial base through the fund and thereby be eligible at some later date for conventional bank financing. The fund was established to reinforce and stimulate the growth of Canadian cultural enterprises which have proven to be dynamic and which have demonstrated their ability to improve their competitive position in the marketplace.

The magazine industry is an active user of the cultural industries development fund, having set up a travelling consultant program in addition to accessing loans through the fund.

The reluctance on the part of financial institutions to create a new financing instrument, the degree of risk involved and the perceived low earning potential of the magazine industry justify the government's establishment of mechanisms such as the CIDF. With more than 20 per cent of the loans awarded and a repayment rate of more than 90 per cent, the magazine industry has demonstrated its professionalism and its managerial expertise.

We can conclude that all of these federal measures have served the industry well. However, with the arrival of the new technological contribution to an increasingly competitive marketplace Canadian businesses must adapt to those market changes and secure and invest new capital in order to bring themselves up to date with modern technology. It is the government's role to review its initiatives and to make sure they still correspond to the new market realities.

Technology has progressed far beyond what could have been foreseen in 1965 when the tariff code 9958 was introduced as a measure of the government's support for the Canadian periodical industry. New technological developments have changed the dynamics of the publication industry. For example, it is now possible to transmit information electronically. Thus it is now possible to bypass international borders and circumvent tariff code 9958.

The proposed amendments to the Excise Tax Act will contribute to maintaining the integrity of Canada's longstanding policy on split runs. The proposed amendment to the Income Tax Act will add an anti–avoidance rule to section 19 of the act. The purpose of this provision is to ensure that newspapers and periodicals that claim to be Canadian are Canadian owned and controlled for the purposes of the act.

The Canadian government has been consistent. Its magazine policy has not changed. What the federal government is doing with these amendments to the Excise Tax Act and the Income Tax Act is modernizing its policy instruments. In this way the entire range of government policy and program instruments can better achieve the overall objective of a vital and flourishing Canadian magazine industry.

• (1610)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am very happy to take part in this debate today because Bill C–103 is one of the many measures the government has over time designed to assist in the development of Canada's cultural industries.

It is very important that we ensure Canada's cultural industries develop to their fullest. This is an area I have had a great deal of interest in since I became a member of Parliament seven years ago.

In the last Parliament as deputy critic for Canadian culture, I sat on the relevant committee and worked with the hon. member for Mount Royal, now the Secretary of State for Multiculturalism and Status of Women, in these areas and with other members on a number of reports that talked about safeguarding our cultural industries.

It is interesting to note with our colleagues from the Bloc today that whatever our differences may be, all Canadians within and outside Quebec, agree that with our linguistic, regional and geographic differences it is very important that our very special culture in French and English be protected and that our federal government do everything possible to protect that culture.

Public policy for cultural industries has always operated on two premises. The first is that cultural products are important as a transmitter of social identity. The second is that it is difficult for the Canadian market to generate economically viable cultural enterprises.

Nobody knows this better than I. I once said I was going to have a sign made that said "pariah: do not appoint to arts boards". In my small region of Atlantic Canada I have served over the years on practically every arts endeavour and cultural endeavour that has gone belly up because we did not have the people or the money to keep it going.

It is terribly important that the federal government take a hand and ensure cultural industries do not die aborning because of regional disparity, small population, small markets, et cetera.

Policy is focused on supplementing the domestic markets' internal capacity to generate revenues with financial and institutional tools. These tools are an attempt to ensure a minimum choice of indigenous cultural works alongside the overwhelming presence of foreign ones.

In the area of magazine selection, in any store that sells periodicals and magazines Canadian periodicals are overwhelmed by sheer numbers of those that come from our neighbour to the south. It is a fine statement that they are not overwhelmed in content or in standard but merely in numbers.

As our cultural enterprises matured and in many cases became more self–sufficient, the government developed and refined the legislative and regulatory framework, the third set of tools within which these enterprises could further prosper and compete at home and abroad.

The challenge for all of us is for government to monitor and review its policies and make amendments or realignments when these are required. Today clearly, as the explosion of technology takes place all around us here in Canada and around the world, characteristics that define the current environment are challenges that confront our cultural sector.

First, the removal of international barriers to trade generates increased competition in production and distribution of cultural goods and services and global markets.

Second, the vertical and horizontal integration of conglomerates operating on a world scale is having a profound impact on the content of cultural products made available to consumers.

• (1615)

Third, the convergence between information transmitters and the producers of the content they transmit is leading to an explosion of new types of goods and services available to a an ever increasing number of consumers.

Take the first challenge as an example, the removal of trade barriers and increased international competition. In this area the impact cannot be underestimated. Access to production and distribution networks is paradoxically becoming both easier and more challenging at the same time.

Technological innovation has rendered electronic distribution of content available to increasing number of creators but the costs associated with marketing, promotion and distribution both in domestic and international markets challenged the ability of creators to exploit their new market potential. We cannot underestimate the impact of such issues as control over technology, control over access to distribution networks and the capacity of governments to regulate the flow into domestic markets of cultural products distributed electronically from abroad. Most of us are fully aware of this in our own homes on a daily basis.

Sports Illustrated Canada is a case in point. I am sorry my hon. colleague from Prince Edward Island cannot agree with me on this. We talked about *Sports Illustrated* a few minutes ago. For almost 30 years the policy tool designed to regulate the importation of magazines containing advertising aimed at Canadians worked well but it is technologically specific in that it addresses the physical importation of foreign magazines today. *Sports Illustrated* is not physically imported but beamed across the border to a printing plant in Ontario.

Our cultural sector has reached a level of economic maturity that will allow it to compete in domestic and international markets but only if it can operate within a legislative and regulatory framework that will encourage its continued development. That is why we have Bill C–103.

The government has reached the point at which it has to update its policy for the magazine industry because of such developments as the beaming of *Sports Illustrated* to a printing plant in Ontario. It is a logical evolution in our policy instruments and it is a necessity to protect our investment in cultural industry.

The bill demonstrates the federal government's continued commitment to the development of the Canadian magazine industry which is viable, original and dynamic.

Since 1965 there have been two legislative measures in place, section 19 of the Income Tax Act and customs tariff code 9958. The objective of both measures was to ensure an adequate flow of advertising revenues to support a vibrant Canadian periodical industry. We need to make sure Canadians have the opportunity to read their own magazines at home, to reflect upon the ideas that are home grown and home developed in this country, to ensure our culture remains strong, our sense of Canadianism and Canadian identity remains viable.

Until the *Sports Illustrated* case, the instruments put in place by the federal government were not as successful. However, we have a loophole that needs to be plugged. This loophole has been exploited by *Sports Illustrated* over the last two years. Tariff code 9958 applies only in cases in which split run editions are physically imported into Canada. As I mentioned before, *Sports Illustrated* got around this by electronically beaming the magazine to a Canadian printing plant.

I suppose this is a case in which the letter of the law may have been upheld but the spirit of the law was being violated. Fortunately the federal government has made a concerted effort and come forward with these amendments to change the situation so that *Sports Illustrated* can no longer circumvent the true spirit as well as the letter of the law.

The amendments to the Excise Tax Act take into consideration that the task force on the Excise Tax Act issued its final report in March. Its main recommendation was that excise taxes be imposed on split run editions and periodicals. The tax is designed to encourage original editorial content in magazines containing advertisements primarily directed at Canadians. It will impose a tax of 80 per cent of the value of all advertisements contained in split run editions of magazines circulating in Canada. That encourages Canadian advertisers to place advertisements in magazines which have original content. It reiterates the government's longstanding policy objectives in a manner consistent with our international trade obligations.

• (1620)

The amendment to the Income Tax Act will add an anti–avoidance rule. The purpose of the anti–avoidance rule is to ensure newspapers and periodicals that profess to be Canadian are controlled by Canadians.

Canadians throughout history have formed their own identity, that mosaic unique to this land and its people. In their periodic re–examination of cultural policies, Canadians are continually discovering and defining what Robertson Davies has called our national soul.

In the past couple of days our national soul has gone through quite an experiment but has come through and come out the other side. As we stand here today reaching out to each other and remembering what a joy and a benefit it is to be a Canadian, I am proud that our government is doing the nuts and bolts with the emotions to make that possible.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, Bill C–103 is a cultural policy measure designed to assist in the development of the Canadian magazine industry. It is one of many federal government's efforts to foster conditions under which Canada's artists and creators can continue to express themselves and give Canadians and the world a sense of our identity as a country, an identity which has been enhanced by the events of the past week.

By culture I mean the creators, producers and distributors of films and videos, books and magazines as well as broadcasting, the performing and visual arts, design and the vast array of heritage institutions across the country.

While I use the term cultural policy in the singular, Canada does not have a single policy respecting culture. Rather, a series of policy directions has been pursued by federal governments throughout time. In this sense cultural policy has been wrought by governments of the past and present based on a rationale which has remained relevant since the beginning.

The rationale for the state's involvement in the cultural sector in Canada is important to understand because it is more valid today than it was in the 1920s when it was for the very first time expressed. This rationale is made up of essentially two philosophies.

The first is that a cultural product that is a work of artistic expression in any form is a good that cannot be treated in the same fashion a hammer, a nail or a widget. Why? Because a cultural product, unlike a widget or a gismo, transmits a set of values rooted in the society in which the artist who created it lives. The product of an artist's expression often acts as a mirror into which society can look for greater understanding of its sense of identity as an organized social group. It allows a society to distinguish itself from others on the planet. It defines and transmits that identity which is unique.

Canada and most other industrialized countries have actively pursued some form of cultural policy which seeks to encourage our own native cultural expression.

The number and range of magazines reflect the concerns and tastes of Canadians. All regions and most large metropolitan areas boast their own magazines. There is a Canadian periodical to serve almost every interest group, economic, professional, artistic, educational, religious or recreational.

• (1625)

Magazines let their readers see behind the scenes of business and politics. They increase national understanding of regional issues and translate national issues into meaningful regional terms. They exalt Canadian accomplishments, profile the great and the small, as well as Canadians who at home and abroad make a difference in our everyday lives.

The second premise on which state involvement in the cultural sector in Canada is based is that in order to produce cultural works, a domestic market of a size that will allow costs to be recouped is a requirement.

The Canadian market, split along language and regionally fragmented, has never been large enough to sustain on its own a healthy cultural industry sector. This has been made more difficult by the overwhelming presence of foreign cultural product, first British and French and then American in our domestic markets. Hence early on Canadian public policy focused on supplementing the domestic market's internal capacity to generate revenues with the financial and institutional tools required to ensure minimum choice of Canadian cultural works alongside the overwhelming presence of foreign ones.

These two premises, the intrinsic merit of a cultural product in transmitting identity and the inability of the Canadian market to generate economically viable cultural enterprises, prompted the Government of Canada to develop policy tools to assist the cultural industries.

The tax measure we have before us today updates a longstanding policy of successive governments which recognizes the unique circumstances faced by Canadian magazines.

The policy implemented in 1965 introduced two measures to assist Canadian magazines in competing for advertising revenues, revenues which are essential to the industry's survival. These measures were section 19 of the Income Tax Act and tariff code 9958. Bill C–103 maintains this policy put in place over 30 years ago.

Tariff code 9958 restricts the importation of magazines containing advertisements directed at Canadians. It authorizes Canada Customs to stop the entry into Canada of the subsequent four issues of a magazine after the publication of an issue that has been deemed split run. Before this measure was introduced virtually all foreign magazines containing advertisements directed at Canadians would have been printed in the country of origin and imported into Canada for distribution.

The publication of *Sports Illustrated* Canada has sent a signal that it now is possible to contravene the spirit of tariff code 9958 by means of technology which was not in existence when the code was implemented.

Sports Illustrated Canada is a split run edition printed in Canada using text that is electronically transmitted from the USA. The editorial content of *Sports Illustrated* Canada is to a large extent the same as the content in the U.S. editions but it contains advertisements that have been specifically purchased to reach a Canadian audience.

Tariff Code 9958 is not applicable to *Sports Illustrated* Canada because it is printed in Canada rather than being imported. This case illustrated the limitations of Canada's existing policy instruments designed to support the Canadian magazine industry.

Consequently a task force on the Canadian magazine industry was set up to examine the problem of split run editions and to recommend new ways to promote Canada's policy objectives for the magazine industry.

Concerning amendments to the Excise Tax Act, the task force issued its final report in March 1994. Its main recommendation was that an excise tax be imposed on split run editions of periodicals.

The tax is designed to encourage original editorial content in magazines containing advertisement directed primarily at Canadians. It will impose a tax of 80 per cent of the value of all of the advertisements contained in split run editions of magazines circulating in Canada.

• (1630)

This measure encourages Canadian advertisers to place advertisements in magazines which have original content. It underscores the government's longstanding policy objectives in a manner which is consistent with our international trade obligations.

Section 19 of the Income Tax Act allows deductions for advertising directed at the Canadian market, only if the advertising is placed in Canadian issues of Canadian owned and Canadian controlled magazines.

The amendment to the Income Tax Act will add an anti–avoidance rule to section 19. The purpose of the anti–avoidance rule is to ensure that newspapers and periodicals which profess to be Canadian are in fact controlled by Canadians.

In conclusion, the government is concerned with creating policies conducive to the growth of the cultural sector. Readers are essential for magazines to prosper. So too are the other major clients of a magazine, the businesses and organizations which advertise their products and services.

Access to Canadian advertising dollars is critical to ensure the economic viability and continued existence of the Canadian magazine industry. Advertising revenues support the cost of the editorial content and make it possible for the publisher to provide the magazine at rates the reader can afford. Therefore, we must not allow split run editions to siphon off Canadian advertising dollars. We must ensure the passage of Bill C–103.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak on Bill C–103. I believe I will be one of the last speakers on the bill.

This is a symbolic time to be dealing with Bill C–103.

[*Translation*]

In fact, the bill we are debating this afternoon deals with Canadian culture and ways of preserving it. I know that some members opposite—and I am directing my remarks to Reformers in particular today—have it that certain Canadian cultural industries for example do not need any additional protection.

[*English*]

I have spoken about this before in the House, both generally and more specifically. At a Canada–U.S. interparliamentary group meeting, a United States congressman indicated that the motion picture industry in Hollywood and elsewhere was a bit upset with Canadians because we had what they believed to be rather restrictive policies in that sector.

I believe it was the former hon. member for Annapolis Valley—Hants, Patrick Nowlan, who responded to the congressman. He said: "How would you feel if in your country 97 per cent of all the films were produced in another country and you could watch television for a day or movies for a whole weekend and never once see a scene from your country? How long would you put up with it?" The congressman said: "I guess you have a point".

The measures we were using at that time were in reference to another cultural industry, but they made the same point which is the fact that immediately to the south of us is a cultural giant. It is not a matter of our saying that our cultural industries, magazine publishers and so on are not competitive. It has absolutely nothing to do with that. It has to do with being overwhelmed by the giant to the south of us.

• (1635)

My hon. colleague from the riding of Halton—Peel is an artist who has participated as an actor and performer in a number of productions. I do not say this disrespectfully, but the member for Halton—Peel surely knows a lot more about these kinds of issues than do many members of the Reform Party across the way. I am sure he would agree on the importance of protecting Canada's cultural industries.

[*Translation*]

I think there is something else, in the sense that some members of the Reform Party tend to give the impression that the cultural industry belongs exclusively to a kind of elite instead of belonging to everyone in our society. That is totally wrong. These people are trying to convey that idea, and I think that it does not reflect the Canadian reality.

Poetry, magazines, television programs, and music—how can I forget music—are all part of the Canadian culture, and in each of these areas there is a Canadian cultural industry, or at least a potential industry.

Today, we are debating this issue of periodicals, magazines published or produced in another country, electronically transmitted to Canada and duplicated in Canada in an attempt to circumvent Canadian legislation. Reformers say that cultural industries can do like other Canadian industries and operate without anything to protect them in case they have to compete with foreign products.

[*English*]

I see it this way. The members of the Reform Party are looking at the cultural industries as if we were strictly discussing a commercial product, in other words, whether or not someone can produce a hammer in Canada cheaper than in the United States. That is not the issue. South of the border there is such immense potential for news and for drawing advertising. There

is absolutely no parallel in Canada. The economy of scale in those kinds of industries operate very differently from what they do in other areas of human endeavour.

Members across the way just will not hear that kind of a proposition. They should because if ever there was a time in the history of this country where we should all rally around those instruments of Canadian culture that could bind us together, surely it is today. Surely today of all days we should be reminding ourselves of the necessity for keeping those instruments which enhance, highlight and make people aware of that which makes us different from other nations and which makes us Canadian.

It could be books. We have a number of very good Canadian authors. There are a number of very good publishing houses in Canada, many of them small. As a colleague reminded us awhile ago, some of these small publishing companies have been assisted by what is commonly referred to as the postal subsidy. It has assisted small publishing companies in putting out very excellent works by Canadian authors. What is wrong with that? Why will members of the Reform Party not see that those things are important and especially important today of all days? They do not understand any of that.

Mr. Ramsay: We are not socialist.

Mr. Boudria: Mr. Speaker, I have been called many things but not often have I been called a socialist. Reform Party cultural gurus across the way are now accusing me of being a socialist. I find it a little ironic, particularly in view of what has been said by Reform Party members in the past about Canadian cultural industries and how they should be promoted by the Government of Canada.

• (1640)

I have the little green book of the Reform Party. I am trying feverishly to find a page which refers to the Canadian cultural industries. Perhaps I will a little later.

Some people in the Reform Party are now saying that promoting Canadian culture is somehow tantamount to socialism, and they are repeating it now. I do not think it is a particularly nice thing to say about their leader. He said the same thing not long ago. I have it in the little green book. I will defend the leader of the Reform Party against those vicious attacks from the backbenchers any time. His backbenchers need to be reminded to be more respectful of the hon. member from Calgary, the leader of that party. The leader of the Reform Party needs all the help he can get. Shall we say he is in a pretty tough spot.

[*Translation*]

I would like this House to know that today, we should all support cultural initiatives, any initiative designed to promote Canadian culture. The Canadian book and magazine publishing industry is certainly one that deserves the support of this House.

[*English*]

Other countries are not at all shy about supporting their cultural industries. Anyone who has ever visited France and who has seen the amount of effort put into promoting and preserving heritage sites, promoting culture, promoting art and so on, would know a tremendous sector of that nation lives from that alone. That is not true of that country alone, although in terms of western societies it is probably the country with more in the way of art and promoting those fields of human endeavour than any other.

We could take other examples. I am told the largest museum in the world is in Russia, in St. Petersburg I believe. That country has a very different kind of regime, one opposite to the country I was talking about previously, but it also saw fit to protect some of its cultural goods and property.

The Smithsonian Institute is another example of that, certainly not located in a socialist country. It is located in a country that is very different.

I want to end with the following immortal words: "The Reform Party supports the responsibility of the state to promote, preserve and enhance the national culture. The state may assist and should encourage ethnic culture to integrate into the national culture". I do not know if I agree with that part but in any case that is the quotation from no less than the leader of the Reform Party, who has just been accused of being a socialist by his own backbenchers.

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

Some hon. members: Question.

• (1645)

The Acting Speaker (Mr. Kilger): The question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. 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.

Some hon. members: On division.

(Motion No. 4 negatived.)

Hon. Ethel Blondin–Andrew (for the Minister of Finance) moved that the bill, as amended, be concurred in.

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): According to Standing Order 45, the whip has informed the House that the vote has been deferred until 5 p.m. this day.

* * *

MANGANESE BASED FUEL ADDITIVES ACT

The House proceeded to the consideration of Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): I would like to make you aware of a ruling by our Speaker on Bill C–94.

There are two motions in amendment standing on the Notice Paper for the report stage of Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

Motions Nos. 1 and 2 will be grouped for debate but voted on separately.

MOTIONS IN AMENDMENT

Mr. Paul Steckle (Huron—Bruce, Lib.) moved:

Motion No. 1

That Bill C–94, in Clause 9, be amended by replacing line 27, on page 3, with the following:

"(*d*) the use that is made or is to be made of it;".

Motion No. 2

That Bill C–94, in Clause 10, be amended by replacing line 45, on page 3 and lines 1 and 2, on page 4, with the following:

"of its completion, file a report".

He said Mr. Speaker, it is my pleasure to move an amendment this afternoon on Bill C–94.

According to the Order Paper, on the first amendment you will find that clause 9 of this bill will be amended by striking out line 27 on page 3 and substituting the following: "the use that is made or is to be of it".

The reason for this amendment is that the clause as originally drafted assumes the controlled substance was used within 30 days of the transaction, which may not always be the case. In certain cases this product could be put in stock until its future anticipated use. For that reason, I moved the amendment. I believe it is a good amendment and I hope we have concurrence on that.

On the second amendment, I would ask of this House if we could have unanimous consent because of the fact that the amendment on the Order Paper has been further amended. I would like to read that amendment at this time if I may. I wonder if we could have unanimous consent for this amendment to be changed.

The motion would read this way:

That clause 10 of Bill C–94 be amended by striking out line 45 on page 3 and lines 1 and 2 on page 4 and substituting the following: "of each transaction under the authorization, file a report".

• (1650)

The reporting requirement as it is in the draft is too lax to allow for effective monitoring by the minister. As an example, if we follow the current draft it could be as much as 12 to 14 months after the transaction that a report is filed with the minister. This would be much too long.

Mr. Vena from Environment Canada agreed with the suggested amendment. Ms. Fry from the Department of Justice also indicated there was no rationale for the section as drafted, other than that this was an arbitrary line–drawing. Therefore I feel the amendment as I have placed it today is in order and should be supported.

I would therefore seek unanimous consent of this House for the amendment I have just presented.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the intervention by the hon. member for Huron—Bruce. Does the hon. member have the unanimous consent of the House to make that substitution?

Some hon. members: Agreed.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on behalf of the government I will concur with the first motion made by the member for Huron—Bruce. The addition of the words he has suggested puts in a much clearer perspective the issue of the 30 days authorization.

In regard to the second amendment, it would have been the position of the government to refuse the amendment the way it was previously phrased. Now that it has been changed by making much more precise reference to each transaction authorized, we feel much more at ease with the amendment proposed by the hon. member.

To sum up, the government will concur with both the first amendment and also the revised second amendment. This is going to be our position.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I want to say a few words to the amendment put forward by the member for Huron—Bruce.

The member had the opportunity to sit through the committee stage of this bill and hear the various witnesses who came forward. Had the member actually been listening to what the majority of witnesses were saying during the committee, he would not have been bringing forward amendments at report stage. He perhaps would have been speaking to the minister directly and encouraging the minister to scrap the bill.

Apparently the member was not at every committee meeting and as a result has brought forward two amendments, both technical in nature. I am sure that in his mind they strengthen the scope of the bill. I ask whether Bill C–94 will be strengthened or improved by these so–called technical amendments. The member knows very well that really the only way to help this area of concern is to scrap the bill, rather than to amend it.

The first amendment makes a change to clause 9. In the clause there is a reference to the record of a controlled substance. In the interpretation section of the bill, controlled substance means a manganese–based substance that is mentioned in the schedule and includes any other substance that contains such a manganese–based substance.

We are made to believe with this bill and with the member's amendments that MMT is hazardous. The government members across the floor know full well this is not so. When they have the opportunity to vote for this bill at third reading, the final reading stage, they will not only be voting in favour of bad legislation, they will be saying to the Canadian people that the government can ban a substance even if there is no evidence that the substance is hazardous.

• (1655)

I will close by saying that I could speak for a long time on the disappointing aspects of the bill, but I know that should be kept for third reading and will do so.

The amendments proposed by the member for Huron—Bruce cannot be supported by the Reform Party. While they may change what can or cannot be done with a manganese based substance and when a report should be submitted to the minister, they do not address the fundamental question. Before a substance can be banned should it not go through a process of independent scientific review?

The bill cannot be improved by one or two amendments. The bill needs to be reworked from scratch if it is to have any credibility in both the industrial sector as well as the environmental sector. Good legislation would propose a predictable process for any substance, not just MMT.

The minister failed and the bill will ultimately be her legacy of another administrative blunder.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I too would like to speak to the bill and to the amendment just briefly.

I could not help but notice during the last few minutes some of the comments across the way that delved into the political garbage bucket as the hon. whip for the party opposite often does. I do not want to hold up the bill because we are on record as explaining why the bill is poorly designed. It is without scientific rationale. It is a knee–jerk reaction in support of friends of the Liberal Party. That has already been well documented.

I repeat for the record that today's activities again are an example of how the party opposite does not have any kind of political agenda or legislative agenda that Canadians and Quebecers can grasp on to with enthusiasm. This is more time filling, political time wasting on behalf of a government that seems bereft of any new ideas. Its idea of change is that it is already doing it. It just does not cut.

The bill should not pass. The amendment does not address the problems within the bill. Decisions should not be made in Canada based on what we felt like when we got up in the morning. There should be some scientific facts behind them.

The government quotes studies and tests. On and on it goes. It will not submit in the House the tests it quotes from. The reason it cannot ban MMT is that the health department says it is not a hazard. The reason it cannot be banned outright is that there is no scientific reason for it. All the government can do is prevent its interprovincial trade and prevent its importation at a time when the United States of America will go ahead. The court has approved its use in the United States.

It is a shame the government cannot come up with some better idea or legislative agenda that would address the issues of importance to Canadians instead of the time fillers we have been dealing with today.

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

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The first question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. 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 76(8), a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will play 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.

Some hon. members: On division.

(Motion No. 2 agreed to.)

* * *

AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed from October 26 consideration of 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, as reported (with amendments) from the committee.

The Acting Speaker (Mr. Kilger): It being 5 p.m. the House will now proceed to the deferred divisions on Bill C–61 at report stage.

Call in the members.

• (1720)

(The House divided on Motion No. 1, which was negatived on the following division:)

(*Division No. 356*)

YEAS

Members

Abbott
Althouse
Bélisle
Bernier (Gaspé)
Breitkreuz (Yellowhead)
Brien
Chatters
Crête
Dalphond–Guiral
de Savoye
Deshaies
Duncan
Fillion
Frazer
Godin
Grey (Beaver River)
Guimond
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Jennings
Kerpan
Laurin
Leroux (Richmond—Wolfe)
Loubier
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest/Sud–Ouest)
Mills (Red Deer)
Nunez
Picard (Drummond)
Pomerleau
Ringma
Solberg
Stinson
Taylor
Tremblay (Rosemont)
White (North Vancouver) —77

Ablonczy
Asselin
Bergeron
Blaikie
Bridgman
Brown (Calgary Southeast/Sud–Est)
Chrétien (Frontenac)
Cummins
Daviault
Debien
Duceppe
Epp
Forseth
Gauthier
Gouk
Guay
Hanger
Harper (Calgary West/Ouest)
Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Johnston
Landry
Leblanc (Longueuil)
Leroux (Shefford)
Manning
Mayfield
Mercier
Morrison
Paré
Plamondon
Ramsay
Schmidt
Speaker
Strahl
Thompson
Wayne

NAYS

Members

Adams
Allmand
Anderson
Augustine
Beaumier
Bélanger
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Calder
Cannis
Chamberlain
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Culbert
Dhaliwal

Alcock
Anawak
Assad
Barnes
Bélair
Bellemare
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Chan
Clancy
Collenette
Comuzzi
Cowling
DeVillers
Dingwall

Discepola	Duhamel
Dupuy	Easter
Eggleton	Fewchuk
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gerrard
Godfrey	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	Maclaren
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Paradis
Parrish	Patry
Payne	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette-Maltais
Robichaud	Robillard
Rock	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Simmons	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Torsney
Ur	Valeri
Vanclief	Verran
Walker	Wells
Whelan	Wood
Young	Zed—140

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap-Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

• (1730)

The Speaker: I declare Motion No. 1 lost. The next question is on group 2, Motion No. 11.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay.

[*Translation*]

Mr. Duceppe: Mr. Speaker, Bloc members, with the addition of Mrs. Tremblay, the member for Rimouski—Témiscouata, also oppose this bill.

[*English*]

Mr. Ringma: All good and honourable Reform members will vote yes, except those who do not want to.

Mr. Taylor: New Democrats present will vote yea.

Mrs. Wayne: Good and honourable PCers will be voting nay.

Mr. Bhaduria: I will be voting against this motion.

(The House divided on the Motion No. 11, which was negatived on the following division:)

(*Division No. 357*)

YEAS

Members

Abbott	Ablonczy
Althouse	Blaikie
Breitkreuz (Yellowhead)	Bridgman
Brown (Calgary Southeast/Sud-Est)	Chatters
Cummins	Duncan
Epp	Forseth
Frazer	Gouk
Grey (Beaver River)	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jennings
Johnston	Kerpan
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
Mills (Red Deer)	Morrison
Ramsay	Ringma
Schmidt	Solberg
Speaker	Stinson
Strahl	Taylor
Thompson	White (North Vancouver) —44

NAYS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Assad
Asselin	Augustine
Barnes	Beaumier
Bélair	Bélanger
Bélisle	Bellemare
Bergeron	Bernier (Gaspé)
Bethel	Bevilacqua
Bhaduria	Blondin-Andrew
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Calder
Campbell	Cannis
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint-Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling

Crête	Culbert
Dalphond-Guiral	Daviault
de Savoye	Debien
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Duceppe
Duhamel	Dupuy
Easter	Eggleton
Fewchuk	Fillion
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gauthier
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Guay	Guimond
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Jacob
Keyes	Kirkby
Knutson	Kraft Sloan
Landry	Lastewka
Laurin	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
Loubier	MacAulay
Maclaren	Malhi
Maloney	Manley
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	McWhinney
Mercier	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
Nunez	O'Brien
O'Reilly	Ouellet
Paradis	Paré
Parrish	Patry
Payne	Peric
Peters	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Plamondon
Pomerleau	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Shepherd
Sheridan	Simmons
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Terrana
Torsney	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Ur
Valeri	Vanclief
Verran	Walker
Wayne	Wells
Whelan	Wood
Young	Zed—174

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap-Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

• (1735)

The Speaker: I declare Motion No. 11 lost.

The next question is on Motion No. 15.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent to apply the result of the previous motion, that is Motion No. 11, to Motion No. 15.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 357*]

The Speaker: I declare Motion No. 15 defeated.

We are now voting on Group No. 3, Motion No. 3.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I think you would find that the House agrees that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay.

Mr. Duceppe: Mr. Speaker, Bloc Quebecois members will also vote nay on that motion.

[*English*]

Mr. Ringma: Mr. Speaker, the Reform Party supports the motion.

Mr. Taylor: Mr. Speaker, New Democrats vote nay.

Mrs. Wayne: Mr. Speaker, I will be voting nay.

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

Mr. Volpe: Mr. Speaker, I was not here for the first part of the vote but obviously I will vote with the government on this. Please add my name to the list.

(The House divided on Motion No. 3, which was negatived on the following division:)

(Division No. 358)

YEAS

Members

Abbott	Ablonczy
Breitkreuz (Yellowhead)	Bridgman
Brown (Calgary Southeast/Sud-Est)	Chatters
Cummins	Duncan
Epp	Forseth
Frazer	Gouk
Grey (Beaver River)	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jennings
Johnston	Kerpan
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
Mills (Red Deer)	Morrison
Ramsay	Ringma
Schmidt	Solberg
Speaker	Stinson
Strahl	Thompson
White (North Vancouver)—41	

NAYS

Members

Adams	Alcock
Allmand	Althouse
Anawak	Anderson
Assad	Asselin
Augustine	Barnes
Beaumier	Bélair
Bélanger	Bélisle
Bellemare	Bergeron
Bernier (Gaspé)	Bethel
Bevilacqua	Bhaduria
Blaikie	Blondin–Andrew
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Calder
Campbell	Cannis
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crête	Culbert
Dalphond–Guiral	Daviault
de Savoye	Debien
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Duceppe
Duhamel	Dupuy
Easter	Eggleton
Fewchuk	Fillion
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gauthier
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Guay	Guimond
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Jacob
Keyes	Kirkby
Knutson	Kraft Sloan
Landry	Lastewka
Laurin	LeBlanc (Cape/Cap–Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
Loubier	MacAulay
Maclaren	Malhi
Maloney	Manley
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McLellan (Edmonton Northwest/Nord–Ouest)
McTeague	McWhinney
Mercier	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
Nunez	O'Brien
O'Reilly	Ouellet
Paradis	Paré
Parrish	Patry
Payne	Peric
Peters	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Plamondon
Pomerleau	Proud
Reed	Regan
Richardson	Rideout
Ringuette–Maltais	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Shepherd
Sheridan	Simmons
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Taylor	Telegdi
Terrana	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wayne	Wells
Whelan	Wood
Young	Zed —178

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap–Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

The Speaker: I declare Motion No. 3 lost.

The next question is on Motion No. 4.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I think you would find that the House agrees to apply the result of the division on Motion No. 1 of Bill C–61, at report stage, to Motions Nos. 4, 23, 21 and 22.

Again, the result of the division on Motion No. 1 would apply to Motions 4, 23, 21 and 22.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mrs. Wayne: Mr. Speaker, I will be voting nay on Motion No. 4. I will be voting in favour of Motions Nos. 21, 22 and 23.

[*Translation*]

The Speaker: The hon. member for Rimouski—Témiscouata was not here at the beginning. How will she vote?

Mrs. Tremblay: Mr. Speaker, I vote with the Bloc Quebecois.

[*English*]

The Speaker: The hon. member for Eglinton—Lawrence was not here for the first vote. How will the member vote?

Mr. Volpe: I will vote with the government side with no equivocation.

The Speaker: So ordered.

(The House divided on the Motion No. 4, which was negatived on the following division:)

(*Division No. 359*)

YEAS

Members

Abbott	Ablonczy
Althouse	Asselin
Bélisle	Bergeron

Bernier (Gaspé)	Blaikie
Breitkreuz (Yellowhead)	Bridgman
Brien	Brown (Calgary Southeast/Sud-Est)
Chatters	Chrétien (Frontenac)
Crête	Cummins
Dalphond-Guiral	Daviault
de Savoye	Debien
Deshaies	Duceppe
Duncan	Epp
Fillion	Forseth
Frazer	Gauthier
Godin	Gouk
Grey (Beaver River)	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jacob
Jennings	Johnston
Kerpan	Landry
Laurin	Leblanc (Longueuil)
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	Mercier
Mills (Red Deer)	Morrison
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Ramsay
Ringma	Schmidt
Solberg	Speaker
Stinson	Strahl
Taylor	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
White (North Vancouver)—77	

NAYS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Assad
Augustine	Barnes
Beaumier	Bélair
Bélanger	Bellemare
Bethel	Bevilacqua
Bhaduria	Blondin-Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Chamberlain	Chan
Chrétien (Saint-Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Culbert	DeVillers
Dhaliwal	Dingwall
Discepola	Duhamel
Dupuy	Easter
Eggleton	Fewchuk
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gerrard
Godfrey	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	Maclaren
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Paradis
Parrish	Patry
Payne	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette-Maltais
Robichaud	Robillard
Rock	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Simmons	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wayne	Wells
Whelan	Wood
Young	Zed—142

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap-Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

The Speaker: I declare Motion No. 4 lost. I also declare Motions Nos. 21, 22 and 23 lost.

• (1740)

The next question is on Motion No. 5.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, you would probably find unanimous consent that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay on that motion.

Mr. Duceppe: Mr. Speaker, Bloc Quebecois members support the motion.

[*English*]

Mr. Ringma: Reform will vote yes.

Mr. Taylor: Mr. Speaker, New Democrats vote no.

Mrs. Wayne: Mr. Speaker, I will be voting no.

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

(The House divided on Motion No. 5, which was negatived on the following division:)

(Division No. 360)

YEAS

Members

Abbott	Ablonczy
Asselin	Bélisle
Bergeron	Bernier (Gaspé)
Breitkreuz (Yellowhead)	Bridgman
Brien	Brown (Calgary Southeast/Sud-Est)
Chatters	Chrétien (Frontenac)
Crête	Cummins
Dalphond-Guiral	Daviault
de Savoye	Debien
Deshaies	Duceppe
Duncan	Epp
Fillion	Forseth
Frazer	Gauthier
Godin	Gouk
Grey (Beaver River)	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jacob
Jennings	Johnston
Kerpan	Landry
Laurin	Leblanc (Longueuil)
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	Mercier
Mills (Red Deer)	Morrison
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Ramsay
Ringma	Schmidt
Solberg	Speaker
Stinson	Strahl
Thompson	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	White (North Vancouver)—74

NAYS

Members

Adams	Alcock
Allmand	Althouse
Anawak	Anderson
Assad	Augustine
Barnes	Beaumier
Bélair	Bélanger
Bellemare	Bethel
Bevilacqua	Bhaduria
Blaikie	Blondin-Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Chamberlain	Chan
Chrétien (Saint-Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Culbert	DeVillers
Dhaliwal	Dingwall
Discepola	Duhamel
Dupuy	Easter
Eggleton	Fewchuk
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gerrard
Godfrey	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	Maclaren
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Paradis
Parrish	Patry
Payne	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette-Maltais
Robichaud	Robillard
Rock	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Simmons	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Taylor
Telegdi	Terrana
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wayne
Wells	Whelan
Wood	Young
Zed —145	

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap-Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

The Speaker: I declare Motion No. 5 lost.

The next question is on Motion No. 19.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the results of report stage Motion No. 3 to the motion now before the House, Motion No. 19.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 358*]

The Speaker: I declare Motion No. 19 lost.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.) moved that the bill be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the vote just taken on Motion No. 19 in reverse to the motion now before the House.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

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

(Division No. 361)

YEAS

Members

Adams
Allmand
Anawak
Assad
Augustine
Beaumier
Bélanger
Bellemare
Bernier (Gaspé)
Bevilacqua
Blaikie
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Chan
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Crête
Dalphond–Guiral
de Savoye
Deshaies
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finestone
Fontana
Gagliano
Gallaway
Gerrard
Godin
Alcock
Althouse
Anderson
Asselin
Barnes
Bélair
Bélisle
Bergeron
Bethel
Bhaduria
Blondin–Andrew
Bonin
Brien
Brushett
Calder
Cannis
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Culbert
Daviault
Debien
DeVillers
Dingwall
Duceppe
Dupuy
Eggleton
Fillion
Flis
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier
Godfrey
Goodale
Graham
Grose
Guay
Harper (Churchill)
Hopkins
Iftody
Jackson
Keyes
Knutson
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
Maclaren
Maloney
Marleau
Massé
McKinnon
McTeague
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunez
O'Reilly
Paradis
Parrish
Payne
Peters
Picard (Drummond)
Pillitteri
Pomerleau
Reed
Richardson
Ringuette–Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Sheridan
Speller
Steckle
Stewart (Northumberland)
Taylor
Terrana
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wayne
Whelan
Young
Gray (Windsor West/Ouest)
Guarnieri
Guimond
Harvard
Hubbard
Irwin
Jacob
Kirkby
Kraft Sloan
Lastewka
LeBlanc (Cape/Cap–Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest/Nord–Ouest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Brien
Ouellet
Paré
Patry
Peric
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Regan
Rideout
Robichaud
Rock
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Telegdi
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Wells
Wood
Zed —178

NAYS

Members

Abbott
Breitkreuz (Yellowhead)
Brown (Calgary Southeast/Sud–Est)
Cummins
Epp
Frazer
Grey (Beaver River)
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Manning
Mayfield
Mills (Red Deer)
Ramsay
Schmidt
Speaker
Strahl
White (North Vancouver)—41
Ablonczy
Bridgman
Chatters
Duncan
Forseth
Gouk
Hanger
Harper (Calgary West/Ouest)
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest/Sud–Ouest)
Morrison
Ringma
Solberg
Stinson
Thompson

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap–Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

The Speaker: I declare the motion carried.

* * *

SMALL BUSINESS LOANS ACT

The House resumed from October 27 consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

The Speaker: Pursuant to order made Friday, October 27, the House will now proceed to the taking of the deferred division at the second reading stage of Bill C–99, an act to amend the Small Business Loans Act.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the results of the vote on report stage Motion No. 4 in reverse to the motion now before the House.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

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

(Division No. 362)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Assad
Augustine	Barnes
Beaumier	Bélair
Bélanger	Bellemare
Bethel	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Chamberlain	Chan
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Culbert	DeVillers
Dhaliwal	Dingwall
Discepola	Duhamel
Dupuy	Easter
Eggleton	Fewchuk
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gerrard
Godfrey	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Iftody	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap–Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	Maclaren
Malhi	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McLellan (Edmonton Northwest/Nord–Ouest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Paradis
Parrish	Patry
Payne	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette–Maltais
Robichaud	Robillard
Rock	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Simmons	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wayne	Wells
Whelan	Wood
Young	Zed—142

NAYS

Members

Abbott	Ablonczy
Althouse	Asselin
Bélisle	Bergeron
Bernier (Gaspé)	Blaikie
Breitkreuz (Yellowhead)	Bridgman
Brien	Brown (Calgary Southeast/Sud–Est)
Chatters	Chrétien (Frontenac)
Crête	Cummins
Dalphond–Guiral	Daviault
de Savoye	Debien
Deshaies	Duceppe
Duncan	Epp
Fillion	Forseth
Frazer	Gauthier
Godin	Gouk
Grey (Beaver River)	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jacob
Jennings	Johnston
Kerpan	Landry
Laurin	Leblanc (Longueuil)
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest/Sud–Ouest)	Mercier
Mills (Red Deer)	Morrison
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Ramsay

Ringma	Schmidt
Solberg	Speaker
Stinson	Strahl
Taylor	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
White (North Vancouver)—77	

PAIRED MEMBERS

Assadourian	Bachand
Bakopanos	Bellehumeur
Cauchon	Dubé
Gagnon (Québec)	Harb
Jordan	Lalonde
Langlois	Lebel
MacLellan (Cape/Cap-Breton—The Sydneys)	McGuire
Sauvageau	Thalheimer

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

● (1745)

EXCISE TAX ACT

The House resumed consideration of Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee.

The Speaker: Pursuant to Standing Order 45, the House will proceed to the taking of the deferred division on the concurrence motion of Bill C–103.

Hon. Paul Martin (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 will find unanimous consent to apply the result of report stage Motion No. 19, of Bill C–61 in reverse to the motion now before the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 361.*]

The Speaker: I declare the motion carried.

(Motion agreed to.)

* * *

MANGANESE-BASED FUEL ADDITIVES ACT

The House proceeded to the consideration of Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances as reported (with amendment) from the committee.

The Speaker: The question is on Motion No. 1.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent that all members who voted on the previous motion be recorded as having voted on the motion now before the House.

[*Translation*]

The Liberals will vote yea on this motion.

Mr. Duceppe: The Bloc members will vote yea on this motion.

[*English*]

Mr. Ringma: Mr. Speaker, may I have clarification? Which bill are we on now, Bill C–103 or Bill C–94?

The Speaker: We are now dealing with Bill C–94.

Mr. Ringma: What was our recorded vote for Bill C–103? Are we recorded as a no for Bill C–103?

The Speaker: Yes.

Mr. Ringma: We are also a no for Bill C–94.

Mr. Taylor: Mr. Speaker, New Democrats vote yea.

Mrs. Wayne: Mr. Speaker, I vote nay.

Mr. Bhaduria: Mr. Speaker, I will be voting in favour of this motion.

(The House divided on Motion No. 1, which was agreed to on the following division:)

(*Division No. 363*)

YEAS

Members

Adams	Alcock
Allmand	Althouse
Anawak	Anderson
Assad	Asselin
Augustine	Barnes
Beaumier	Bélair
Bélanger	Bélisle
Bellemare	Bergeron
Bernier (Gaspé)	Bethel
Bevilacqua	Bhaduria
Blaikie	Blondin-Andrew
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Calder
Campbell	Cannis
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint-Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crête	Culbert
Dalphond-Guiral	Daviault
de Savoye	Debien
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Duceppe
Duhamel	Dupuy
Easter	Eggleton
Fewchuk	Fillion
Finestone	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway	Gauthier
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Guay	Guimond
Harper (Churchill)	Harvard

Hopkins
Iftody
Jackson
Keyes
Knutson
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
Maclaren
Maloney
Marleau
Massé
McKinnon
McTeague
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunez
O'Reilly
Paradis
Parrish
Payne
Peters
Picard (Drummond)
Pillitteri
Pomerleau
Reed
Richardson
Ringuette-Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Sheridan
Speller
Steckle
Stewart (Northumberland)
Taylor
Terrana
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wells
Wood
Zed—177

Hubbard
Irwin
Jacob
Kirkby
Kraft Sloan
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
Malhi
Manley
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Brien
Ouellet
Paré
Patry
Peric
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Regan
Rideout
Robichaud
Rock
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Telegdi
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Whelan
Young

NAYS

Members

Abbott
Breitkreuz (Yellowhead)
Brown (Calgary Southeast/Sud-Est)
Cummins
Epp
Frazer
Grey (Beaver River)
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Manning
Mayfield
Mills (Red Deer)
Ramsay
Schmidt
Speaker
Strahl
Wayne

Ablonczy
Bridgman
Chatters
Duncan
Forseth
Gouk
Hanger
Harper (Calgary West/Ouest)
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest/Sud-Ouest)
Morrison
Ringma
Solberg
Stinson
Thompson
White (North Vancouver) —42

PAIRED MEMBERS

Assadourian
Bakopanos
Cauchon
Gagnon (Québec)
Jordan
Langlois
MacLellan (Cape/Cap-Breton—The Sydneys)
Sauvageau

Bachand
Bellehumeur
Dubé
Harb
Lalonde
Lebel
McGuire
Thalheimer

● (1750)

The Speaker: I declare Motion No. 1 carried.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.) moved that the bill, as amended, be concurred in.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

[*Translation*]

Mr. Boudria: Mr. Speaker, I would invite you to ask the House to give its unanimous consent to apply the results of the vote on Motion No. 1 to the motion now before the House.

[*English*]

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 363.*]

The Speaker: I declare the motion carried.

* * *

PRIVATE MEMBERS' BUSINESS

On the Order: Private Members' Business

That, in the opinion of this House, all private members' bills that have passed second reading during the first session of the 35th Parliament and are presently at committee or report and the third reading stage should stand for the second session of the 35th Parliament.

The Speaker: The hon. member for Lethbridge is not present to move the order as announced in today's Notice Paper. Accordingly, the motion will be dropped from the Order Paper pursuant to Standing Order 42(1).

It being 5.55 p.m. the House stands adjourned until tomorrow, wonderful Wednesday, at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 5.55 p.m.)

HOUSE OF COMMONS

Wednesday, November 1, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

CANADIAN UNITY

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, Monday's events in Quebec showed us that in fact the glass is half full.

During the past few weeks we have witnessed an outpouring of emotion from Canadians across the country who went from passive observation to active participation in the affairs of their country.

We should all be struck by the depth of their feelings and their willingness and openness to change. This will is generous and the challenge for Parliament is to facilitate the development of this expression of commitment to Canada. As parliamentarians we must strive to nurture and encourage Canadians who want to be involved in the process of reshaping Canada.

Canadians need to be thanked for their willingness and openness to change. They must be valued and implicated in the process of redefining their country.

* * *

QUEBEC REFERENDUM

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, during the past two years we have sat in this House with members of the Bloc Quebecois who have made no secret of their agenda. While we profoundly disagreed with it, I treated these members with respect, and I must add, they treated me with respect. Such is the nature of democracy.

I was absolutely shocked by Mr. Parizeau's comments on referendum night and those of Mr. Bouchard a few weeks ago. The leaders of the separatist movement should be more concerned with equality within and outside Quebec and not the ethnic origin of the voting public.

That Mr. Parizeau has now resigned does not alter what he said. Nowhere has he apologized for his remarks. He has resigned and that is good, but even his resignation is clouded in duplicity.

In the days ahead one hopes the vast majority of Quebecers will distance themselves from Parizeau's and Bouchard's narrow view of Quebec's position and—

The Speaker: I would remind all hon. members that while we are members in this House we should address each other by our ridings and not by our names.

* * *

DAVID MCINTOSH

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, it is with great sadness that I bring to the attention of the House the passing of a notable Canadian journalist and author, Dave McIntosh.

Mr. McIntosh served valiantly in World War II as a bomber navigator, winning the Distinguished Flying Cross. In 1946 he joined Canadian Press where, for the next quarter century, he earned a reputation as a remorselessly inquiring and rigorously honest journalist. He was a well–respected authority on defence matters and a delightfully mischievous reporter of Ottawa's and Parliament's foibles.

The Parliamentary Press Gallery honoured Mr. McIntosh when it named him an honorary life member as he left journalism. He published a number of books, including a lighthearted but chillingly honest account of his war service *Terror in the Starboard Seat* as well as a highly amusing collection of his governmental anecdotes *Ottawa Unbuttoned.*

We join his wife, Jean, his children, his grandchildren and his many friends in mourning the passing of an outstanding Canadian.

* * *

[*Translation*]

QUEBEC PREMIER

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, as the member for Pierrefonds—Dollard, a Quebec riding that is representative of the Canadian mosaic—its composition being 30 per cent allophone from a total of 52 different ethnic groups, 40 per cent anglophone, and 30 per cent francophone—not only was I shocked by the deliberately chosen and

well thought out words of the Premier of Quebec concerning who was responsible for the defeat of the referendum, but I was also offended by his refusal to retract his words.

This attitude must be vigorously condemned, for Quebec, like Canada, offers a warm welcome to all of the world's citizens. The Premier of Quebec's words are a serious matter, having been spoken after careful consideration by a first minister, but I wish to reassure my colleagues in this House and the people of Canada that they are far from representing reality. Quebecers of all origins are proud people, and newcomers from anywhere in the world will always find an open door in Quebec.

* * *

[*English*]

THE SENATE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, in the recent referendum the Quebec electorate set off an alarm. People in Quebec and indeed all of Canada demand change to the Canadian federation that does not involve constitutional wrangling.

The Prime Minister's outdated, outmoded, traditional political practices of stuffing the Senate with patronage appointments is unacceptable. He must begin a transition to a new Senate which would be effective, elected and equal. And the first non–constitutional step to validate that place is to elect members to the upper house.

The Reform Party demands changes based on the model of the 1989 Alberta senatorial selection act which allowed the election of the late Senator Stan Waters.

The referendum has issued a wake–up call to the federal government. The Reform Party stands as the only federal party with answers to that wake–up call. Canadians note that while the alarm has gone off, the Prime Minister continues to hit the snooze button.

* * *

CANADIAN UNITY

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise in the House today to thank all those Canadians who travelled to the no rally in Quebec this past weekend, particularly those from my riding of St. John's West.

My office has been overwhelmed with letters of support expressing kind regards to all Quebecois and a hope that Quebec will remain within Canada.

I would like to read an excerpt from one of the letters that was written to me by a woman from Argentia in my riding which expressed her feelings on returning from the no rally in Montreal:

> Dear Jean:
>
> I have never felt more Canadian than when we arrived in Montreal last weekend and were greeted with such expressions of love and appreciation for attending the rally. The people we met were the same—their expressions of gratitude for our presence was really heartwarming.
>
> "Thank you so much for your consideration", said one woman. "We need it; we don't want to be separate from Canada; we are suffering very much at this moment".

* * *

• (1405)

[*Translation*]

STUDIES ON DUPLICATION

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, in the wake of the Quebec referendum the message from Quebecers could not be any clearer. Quebecers want sweeping and rapid changes. I have made a promise to my constituents in Brome—Missisquoi to bear the torch of change to Ottawa.

From the floor of this House, I would humbly request that the Government of Quebec provide us as quickly as possible with the studies on duplication and overlap in their possession, so that we may set to work immediately.

Let us get moving right away, so that very soon, from one end of the country to the other, we can all together tell the people of Canada: Here is the Canada of change you have demanded.

* * *

RENÉ LÉVESQUE

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, on November 1, 1987 we lost the founding father of the Parti Quebecois and of the sovereignist movement, René Lévesque.

More than anyone else, Mr. Lévesque incarnated Quebecers' confidence in themselves. He was one of the key figures who shaped the quiet revolution through his lead role in the Lesage government and he contributed to the creation of modern day Quebec, particularly by nationalizing our electrical power.

As the Premier of Quebec, he has left a lasting heritage. We need only think, for instance, of the charter of the French language and the recognition of aboriginal right to self–government.

His legacy to us was a faultless sense of democracy and healthier politics; his proudest accomplishment in this area was enactment of the legislation on political funding.

I am sure that René Lévesque, great democrat that he was, would have been proud of the 94 per cent turnout, as Quebecers exercised their right to vote this past Monday.

[*English*]

KEN SARO–WIWA

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, yesterday Nigerian author and environmentalist Ken Saro–Wiwa, the winner of the 1995 Goldman environmental prize for Africa, was sentenced to death by a special tribunal after a show trial. There is no right of appeal.

Saro–Wiwa is a founder of Nigerian PEN, an honorary member of PEN Canada, president of the Nigerian Association of Authors, president of the Ethnic Minority Rights Organization of Africa and leader of the movement for the survival of Ogoni people.

For 37 years these people have been exploited and their land ravaged by international oil interests which have taken more than $30 billion in oil and left an ecological disaster area.

I join with Amnesty International, Human Rights Watch and PEN Canada in condemning this death sentence. I call on the government to condemn the death sentence in the strongest possible terms, impose sanctions on Nigeria and call for the immediate and unconditional release of Saro–Wiwa, who has always flatly denied any involvement in these killings.

* * *

[*Translation*]

QUEBEC SOVEREIGNIST MOVEMENT

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, a fundamental question is being asked today by millions of Quebecers who voted in the referendum on Monday.

What kind of soil nourishes the deep roots of Quebec's sovereignist movement? Territorial nationalism, mentioned so often in the past few months, seems increasingly difficult to reconcile with the many intolerant statements from various spokespersons for the yes side.

The time has come for solidarity and co–operation. Quebecers from every part of the province expect their governments to pick up where they left off several months ago.

We must now meet the challenge of continuing to build a strong and dynamic Quebec within a united Canada. This kind of blueprint for society cannot afford the invariably disastrous impact of segregation and intolerance.

* * *

QUEBEC PREMIER

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, Monday night, the leader of the yes side put the blame for the defeat of his option on the ethnic communities. Yesterday, when he announced his resignation as premier, he did not even have the decency to apologize and in fact repeated and attempted to justify what he had said.

This throws a troubling light on the very foundations of a Quebec nationalism that apparently shows contempt for the election rules prevailing in Quebec, according to which only age, citizenship and place of residence are used as criteria for being eligible to vote.

• (1410)

This troubling statement, made at a crucial moment in the history of Quebec and Canada, forces us to reflect on the democratic nature of the question by which it was inspired. We want to say today that Canada is and will always remain the country of all Canadians.

* * *

QUEBEC PREMIER

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, we were very moved yesterday when we heard the news of Mr. Parizeau's resignation. All Quebecers recognize his outstanding contribution to the building of a modern Quebec.

As an adviser to several Premiers, he took part in the development of a number of projects of which we are particularly proud. From the nationalization of electric utilities to the creation of the Quebec Pension Plan and the Caisse de dépôt et de placement, Mr. Parizeau forged the tools that are indispensable to Quebec society.

His outstanding contribution to our economic development was particularly apparent in the stock savings plan, the solidarity fund and, more recently, the regional development funds. He was known as an innovator and a man who held strong convictions.

On behalf of all Quebecers, Mr. Parizeau, I want to say a heartfelt thank you.

* * *

[*English*]

THE CONSTITUTION

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, Atlantic Canadians are wondering why the Liberals are going down the same old path with talk of giving Quebec distinct society status.

All Canadians recognize Quebec's cultural, social and historic distinctiveness but they do not want one province given special powers and status in the federation.

New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island are equally proud of their social, historical and cultural distinctiveness. In fact, Nova Scotia and New Brunswick were two of the four original founders of our country, along with Ontario and Quebec.

Every single province in Canada should be an equal partner in this federation. Every single province in Canada is proud of its unique history and distinctiveness. Every single province should participate in our country on an equal footing.

Reform will vigorously defend the right of the Atlantic provinces to be given the same powers and entitlements as every other province. Our Constitution should never be changed to rob them of equal status.

* * *

CANADIAN UNITY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise in the House today to thank all those New Brunswickers who travelled to Montreal last week for our rally. It was absolutely marvellous.

I also want to thank all the members of Parliament and all the senators who helped me to get 6,000 flags to take down to the harbour station. Members should have heard them when I asked them to sing "O Canada".

They sang it so you could hear it in Victoria, you could hear it in Newfoundland and in the Northwest Territories. The walls of the building started to shake. I say to my hon. friends from the Reform Party, the people in Atlantic Canada are being well looked after. We are looking after them.

* * *

[*Translation*]

THE *OTTAWA SUN*

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, Canada owes its excellent reputation on the international scene to, for instance, its high standards of tolerance, freedom and respect. We encourage debate because the clash of ideas generates the spark of understanding.

These fundamental values which are the pride of our country were crudely trampled yesterday in a caricature published by the *Ottawa Sun*. This caricature is not only in poor taste, it is insulting and offends any sensible person who sets moral values above basely partisan considerations.

I know I am speaking for all my colleagues when I clearly and unequivocally condemn this attack on our colleague, the hon. member for Lac–Saint–Jean. I hope that in future we will take an even firmer stand and show we will not tolerate this kind of degrading caricature that attacks an individual's physical integrity.

* * *

• (1415)

TRIBUTE TO QUEBEC PREMIER

Hon. Lucien Bouchard (Lac–St–Jean, BQ): Mr. Speaker, I would like to offer a tribute today to the Premier of Quebec, Jacques Parizeau. Through his exceptional contribution to the development of Quebec, he has been one the shapers of the self–confidence the people of Quebec have now acquired.

An hon. member: What?

Mr. Bouchard: A little respect for a great man who is leaving politics, if you please. There is no one here worthy of holding a candle to him.

Some hon. members: Hear, hear.

Mr. Bouchard: Mr. Speaker, there will be a special place reserved for Jacques Parizeau in the annals of history—

Some hon. members: Oh, oh.

[*English*]

The Speaker: As is usual in the standing orders this is the time for members to make statements. We have always and we will continue to respect one another in the House.

[*Translation*]

I again recognize the hon. member for Lac–Saint–Jean, and am prepared to listen to his statement.

Mr. Bouchard: Mr. Speaker, history will reserve for Jacques Parizeau a special place along Quebecers' path toward sovereignty. A pillar of the sovereignist movement, he—

Mr. Young: All Quebecers, or just some of them?

Mr. Bouchard: Mr. Speaker, I again hear the Minister of Transport starting up his insulting comments.

A pillar of the sovereignist movement, Jacques Parizeau also rebuilt the Parti Quebecois in the aftermath of a particularly difficult period. It is in large part due to him that Quebecers will soon have their own country.

A man of integrity and profound convictions, he has never doubted the necessity of sovereignty for the people of Quebec.

Mr. Parizeau, the people of Quebec will never forget your efforts to finally bring Quebec recognition within the family of nations. You will now be acknowledged, along with René Lévesque, as one of the great builders of the country of Quebec.

Some hon. members: Hear, hear.

The Speaker: The Right Hon. Prime Minister wishes to speak.

* * *

TRIBUTE TO THE PREMIER OF QUEBEC

Right Hon. Jean Chrétien (Saint–Maurice, Lib.): Mr. Speaker, I have a short statement I would like to make, with leave of the House.

Obviously, in public life we cannot always agree with everyone, and sometimes this leads to difficult situations.

I know Mr. Parizeau well. I have known him since 1968 and I have had the opportunity to work with him. Despite our significant political differences, I can say he is a man who has given his life to politics. He is a man of considerable talent, who has worked with governments for many years. He was even an adviser to the Government of Canada, to the Department of Finance, when I was parliamentary secretary to the Minister of Finance.

One day, our paths separated, and he became a sovereignist, a separatist. I respect his opinion and always have, even if I do not completely agree. Now he has decided to retire. I would have hoped it could happen under circumstances less controversial for him and for everyone, but I have no control over circumstances.

I would like to point out that, here, in Canada, we have one of the finest democracies in the world. It is an example. Few countries in the world would tolerate the raising of passions as deep as those involved in wanting to break up a country and use part of it to make a new one.

• (1420)

It is an example for the world that this sort of passionate discourse cannot be permitted without a surprising amount of control. I have travelled with Mr. Parizeau. We have been travelling companions. He could be a most pleasant companion, at times, when we were not talking politics. Obviously, when we started talking politics, breakfasts or dinners were rather tumultuous, but interesting, I must say.

Today, he has decided to retire after serving the public for many years, and we must thank him for serving the public as he did. Unfortunately for me, he did not remain an ardent federalist. He decided not to remain one, and I did. I am very persistent. He became persistent after that and he remained the most persistent sovereignist or separatist of the group. He did not hide his opinion.

At one point, he even left Mr. Lévesque, because he did not agree with the "beau risque". He is retiring, and the people of Quebec should thank him for his contribution to the public debate, even if we did not agree. That is what is so great about Canada: we can disagree and yet serve the public to the best of our knowledge and abilities.

[*English*]

The Speaker: We started with Statements by Members and the hon. Leader of the Opposition made his statement. I recognized the Prime Minister who evidently was joining in and I believe we have turned it into tributes.

I will recognize—I believe that is why he is on his feet—the hon. House leader and then I propose to begin question period.

Mr. Speaker (Lethbridge): Mr. Speaker, I listened to the intervention of the Prime Minister. Would the Speaker ensure that we have the full amount of allotted time for question period?

The Speaker: The answer is yes.

ORAL QUESTION PERIOD

[*Translation*]

THE REFERENDUM

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I think both Mr. Parizeau and we in the Bloc are grateful to the Prime Minister for his fine gesture in speaking these words. I thank him for it. With the permission of the House, I would like to table the preliminary report of the count of Monday's voting.

The Speaker: It is a bit different today. Perhaps the hon. Leader of the Opposition could table it at the end of question period. We return to question period again.

Mr. Bouchard: Mr. Speaker, we, the people of Quebec, whatever our political stripe, are delighted at how democratically the recent referendum debate was carried out. In fact, the only hitch in the democratic proceedings we might criticize came about because of Ottawa and very high up in Ottawa, namely the number one guardian of Canadian democracy, the Prime Minister of Canada. We will recall that he said in this House he reserved the right not to honour a narrow yes majority in favour of sovereignty.

• (1425)

My question is for the Prime Minister. Knowing now that the no majority is only six tenths of 1 per cent above 50 and in view of the fact that the sovereignists have set an example by bowing to a very narrow majority, does he not think he should withdraw his remarks and apologize in the name of Canadian democracy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Absolutely not, Mr. Speaker. Absolutely not. I should say first that, indeed, 49.4 per cent of Quebecers voted yes. However, probably between 30 and 40 per cent of them voted yes thinking they were going to stay in Canada. They did not all vote for Quebec's separation.

I was in the car a few minutes ago, and people were calling an open line show saying they did not know, they did not suspect the mandate was to separate.

The word "separation" was never again heard from the lips of the Leader of the Opposition after he was obliged to use it in front of the Americans to make himself understood.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister of Canada, as part of his duties in the House of Commons, is permitted to distinguish between votes, if I understand properly, when the votes were for the yes side.

What would the Prime Minister of Canada say if, as Leader of the Opposition, I did not recognize the very slim no majority? What would he say? He would be right in accusing me of not being democratic.

Nearly 2.3 million Quebecers opted for a sovereign Quebec on Monday. For a Prime Minister who promised us we were going to take a beating, it is quite a comeuppance.

The Quebec reality continues to escape him, however, because he now thinks he can meet Quebec's expectations with an unimportant resolution in the House paying lip service to Quebec's distinctive nature.

Can the Prime Minister be so ignorant of the reality in Quebec that he imagines he can halt the irresistible sovereignist advance with such a horrible mockery?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first, Quebecers have spoken. I hope the Leader of the Opposition will accept the verdict of Quebecers, who have decided to remain in Canada. On the night of the verdict, he was saying he was going to start again right away, whereas the people had spoken. He is the one who lost and should have accepted the verdict.

As for me, my job in this country is to ensure observance of the Canadian Constitution, only I did not have to use all the powers vested in the government, because the people of Quebec spoke and chose to remain in Canada. I hope the Leader of the Opposition will understand that Quebecers want all elected officials, both here and in Quebec City, to serve the people and look after economic growth and job creation; they are sick and tired of all the talk about constitutional problems. They want the governments to get back to the real problems: the dignity of workers in Quebec.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, for people who are fed up, a 94 per cent turnout in a popular vote is not bad.

After Monday's vote, the Canadian federal system is enjoying a respite, the result of a few tenths of a percentage point of popular vote. In this context, does the Prime Minister not see that the only realistic solution for Quebec and Canada is a new partnership negotiated between equals following the next Quebec referendum, which will follow inexorably?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the people have spoken. Democracy has spoken. Obviously, the Leader of the Opposition does not agree with democracy. Did Mr. Johnson, who lost the election last year with four tenths of 1 per cent—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Was Mr. Parizeau's government illegitimate because they won by only four tenths of 1 per cent?

• (1430)

The people have spoken and they have decided to remain in Canada, despite all the unbelievable propaganda, in which people were told that, if they voted no, there would be no more unemployment insurance and their pensions would be cut, without it ever being proven. These were absolutely gratuitous statements. Despite this, despite all these lies, they failed to win.

* * *

DISTINCT SOCIETY

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it did not take more than 24 hours after a no win based on a fraction of a percentage point for the Prime Minister to consider tabling a resolution in the House of Commons recognizing the fact that Quebec is a distinct society. And all this while hastening to add that such recognition confers no special powers or status on Quebec. He seems to agree with the Premier of Ontario who said that now was not the time to react hastily and promise things one might not be able to deliver.

My question is directed to the Prime Minister. Does he agree with the Premier of Ontario that any changes that would be significant in the eyes of Quebec would not be acceptable to the rest of Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, to me, the recognition of Quebec as a distinct society is important. It is something that the Parliament of Canada has already accepted, it was voted on in a referendum, and we voted in favour of a distinct society—

Mr. Bouchard: That is not true.

Mr. Chrétien (Saint–Maurice): While the Leader of the Opposition—

Mr. Bouchard: Everyone knows it is not true.

Mr. Chrétien (Saint–Maurice): —and the House leader of the opposition voted against Charlottetown. Then they went around Quebec blaming us for not delivering on Charlottetown when they all voted in favour of recognition of Quebec as a distinct society.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister has conveniently overlooked the fact that he killed the Meech Lake Accord—

Some hon. members: He did. He did.

Mr. Gauthier: Mr. Speaker, I myself asked the Prime Minister what kind of distinct society he favoured. He never answered the question. Today, I will ask him. Considering his—

Would you ask the Deputy Prime Minister to be quiet, Mr. Speaker?

Some hon. members: Hear, hear.

The Speaker: The question, please. The hon. member for Roberval.

Mr. Gauthier: Mr. Speaker, considering his sterile and meaningless draft resolution, will the Prime Minister acknowledge that his positions are identical to those of the Premier of British Columbia, and are we to understand that this Prime Minister has no trouble recognizing Quebec as a distinct society but only insofar as this does not really mean anything and does not change the status quo?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member has not seen the resolution. I do not know where he got his text.

Mr. Gauthier: Which resolution?

Mr. Chrétien (Saint–Maurice): He said there was a resolution, and he does not even have it.

An hon. member: It is in the papers.

Mr. Chrétien (Saint–Maurice): My point is that the Parliament of Canada has already spoken. And the Parliament of Canada could speak again, but as far as we are concerned, we have always been in favour of a distinct society. And now very shortly, Quebecers will again see the members of the Bloc Quebecois, like the separatists they are, vote against distinct society in this House of Commons.

* * *

• (1435)

[*English*]

QUEBEC REFERENDUM

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, almost two days have passed since the Quebec referendum and as yet no one has accepted responsibility for the mismanagement of the federalist strategy which brought the country to the very brink of disaster, mismanagement which simply cannot be repeated in the future.

Seventeen months ago the Prime Minister was strongly urged to clearly define the costs of separation by answering 20 questions on the negative meaning of a yes vote. The Prime Minister dismissed those questions as hypothetical and did nothing. As a result he almost lost the country to Quebec voters who thought they could vote yes and still be Canadian.

Canadians want to know who is responsible for those miscalculations in that campaign. Was it the Prime Minister's advisers, was it the no side strategists, or was it the Prime Minister himself?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the only person more disappointed than the Leader of the Opposition that the no side won is the leader of the Reform Party.

During the whole campaign, every day and every week, he was trying to bring in some new twist to create a problem for those who were fighting to keep Canada together. The leader of the third party was always there saying we should do this and we should do that, while the leader of the Conservative Party, the leader of the Liberal Party of Quebec and I were working out our differences to keep Canada together.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister can question the loyalty of millions of Canadians who disagree with his—

Some hon. members: Oh, oh.

Mr. Manning: Nothing will change the fact that it was his lame brain strategy that brought the country—

Some hon. members: Oh, oh.

Mr. Manning: The Prime Minister did not wake up to Quebec's profound demands for change until the last week of the campaign. For months and months in the House and outside the House, he insisted the status quo was good enough, plus a little administrative tinkering. It was not until the last days of the campaign that he belatedly recognized the need for change and began to talk about it.

• (1440)

I ask the Prime Minister, given the obvious desire in the country for change, who was the genius who decided that status quo plus administrative tinkering was good enough? Was it the Prime Minister's advisers? Was it some fossilized senators, or was it the Prime Minister himself?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the leader of the Reform Party again is trying to do the same thing. He is just trying to build himself a position from extremely difficult circumstances which we were fighting for.

When it was very important, the leader of the Conservative Party was there, I was there and a lot of members of Parliament from this side were there, but the leader of the Reform Party was not in Montreal last Friday. He was just criticizing us like he has done during the whole campaign. We have won. Canada has won despite him.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, to compound the errors of the no side campaign, we now have the crowning miscalculation. Apparently the federal government is responding to the demands for change in Quebec by falling back on the tired old cliches of distinct society and a constitutional veto for Quebec, asking Canadians to wallow once again in the stagnant waters of Meech Lake.

This Liberal–Tory approach to national unity with its top down process, constitutional mumbo–jumbo and hollow symbolism has not worked for 30 years, and Canadians know it. They ask the Prime Minister, who in their right mind is responsible for this misguided strategy? Is it the same people who

devised the no strategy? Is it his new constitutional adviser from Sherbrooke, or is it the Prime Minister himself?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when there was an amending formula accepted by all the provinces at the time of Victoria, the party of the father of the leader of the Reform Party, the Socreds, was in power in Alberta. It accepted the amending formula at that time.

The Speaker: I wonder if we might shorten the questions and answers.

* * *

[*Translation*]

DISTINCT SOCIETY

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, after a crushing repudiation by his own constituents in Saint–Maurice, the Prime Minister has lost all credibility to propose any constitutional change whatsoever, because it is obvious that he is out of touch with the Quebec reality.

Is the Prime Minister aware that his inability to understand the Quebec reality renders him unfit to properly translate the needs of Quebec to the rest of Canada, and as long as Canadians and Quebecers speak to each other through him instead of as equal to equal, the misunderstanding will continue?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Parliament of Canada will speak on behalf of all Canadians when it is presented with a resolution concerning this problem. This I have promised and this I will do. Then the pretences will be over. The separatists have always been saying that they had not obtained their distinct society. But they do not want it.

Another vote will be held, and you will see that they will again vote against a distinct society for Quebecers.

• (1445)

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, even the voters of Saint–Maurice feel that the Prime Minister has never supported a distinct society. The Prime Minister does not understand the people in his constituency and the people in his constituency no longer believe him.

Does the Prime Minister not agree that he is wasting everybody's time by pretending to Canadians that he understood what Quebecers wanted?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what is worrying the Bloc Quebecois is that they know very well we are going to act. But this time they will be forced to vote. There will be no fine words. They will vote against the distinct society, and the truth will out. They are separatists who do not want to admit it to Quebecers frankly and honestly.

[*English*]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, my question is for the Prime Minister.

It seems that the Prime Minister is preparing to offer Quebec a special deal that consists of the old traditional federal chestnuts of a distinct society and a constitutional veto. For 20 years the separatists have been saying that because Quebec is a distinct society and people it should therefore become a sovereign state.

Why does the Prime Minister think that by conceding the first part of that proposition he can prevent the second? I think the Prime Minister would like me to repeat that question.

Some hon. members: No, no.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, at that time the member for Lethbridge was a member of the cabinet in Alberta, which accepted a veto for Quebec. Mr. Strom was the premier and the member for Lethbridge was a minister at that time.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, rather than comment on the non–answer, let me go on to the most unbelievable aspect of the federal strategy, this makeshift strategy for unity.

The government seems to be seriously considering giving a constitutional veto to the Government of Quebec, a separatist government committed to breaking up the country. Perhaps the Prime Minister intends this as a parting gift to the Leader of the Opposition if he goes to Quebec City.

Some hon. members: Oh, oh.

The Speaker: I would beg hon. members not to impute motives one way or another. I would ask the hon. member to please put his question.

Mr. Manning: Let me put the question and let the Prime Minister listen, because it is really simple.

Is the Prime Minister really serious in saying that he is willing to give the separatist Government of Quebec a veto over the Constitution of Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. leader of the third party should take the time to read my speech. I said it would be a veto for the people of Quebec.

* * *

[*Translation*]

CONSTITUTIONAL CHANGES

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, less than 48 hours after the Quebec referendum, there is no longer any agreement in English Canada on the nature of the changes that everybody was willing to offer Quebec a few days before the referendum vote. The promises for change and the outpouring of love appear today less and less sincere and credible.

My question is for the Prime Minister. Where are those thousands of people who last week were claiming they loved Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, thousands went to Montreal and, last Sunday, tens of thousands of citizens met in cities all over Canada to tell all Quebecers: "We want you to remain Canadian citizens". This happened in every provincial capital, in cities and villages all over the country. But, of course, the Bloc Quebecois is only interested in separating.

• (1450)

It is not interested in meeting the needs of the people, but rather in having bourgeois ambassadors at the UN, in Paris and elsewhere, whereas people want Quebec citizens to have jobs and economic stability.

Some hon. members: Hear, hear.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, are we to understand, less than 24 hours after the referendum, in the midst of all the contrary statements by premiers in English Canada, that all the promises for change and declarations of love were nothing short of hypocritical?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like the Bloc members who agree with the statement made by Jacques Parizeau on referendum night to rise in this House.

* * *

[*English*]

NATIONAL UNITY

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, one sure thing that came out of this referendum is that Canadians from every province are demanding change. They want more of a say in the decision making process that will determine the future of their country. They have given up and they are sick to death of the politicians and their deal making, trying to resurrect Meech Lake and Charlottetown.

Will the Prime Minister guarantee Canadians that they will be involved in any decision that affects the future of their country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, they are always involved. They have members of Parliament who are here in this Parliament all the time who represent their constituents very well.

If the hon. member does not think she is able to represent the interests of her constituents, that is her own judgment. But I know that the members of Parliament who have been elected generally feel pretty good when they get up that they have a mandate to speak for the people of their riding. I believe that is the way democracy works. If our judgment is bad, there will be an election.

When I campaign during the next election in the ridings of the Reform Party, the people will remember what the Reform Party members did in the last week of October 1995.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, let me assure the Prime Minister that if he comes to my riding he will know that they and I voted no on the Charlottetown accord. It was dead then and it is dead now. No distinct society status ever more.

All Canadians must be involved if we hope to avoid defeat in another Quebec referendum. It is an idea that can work. It is an idea that has support from the provincial premiers, such as Newfoundland's Clyde Wells.

Is the Prime Minister willing to hold citizens assemblies across this country, or is he determined to resurrect Meech Lake and Charlottetown one more time?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have no intention of doing any of the three things the member mentioned.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is directed to the Minister for International Trade.

The Canadian government is now negotiating a free trade agreement with the Israeli government. Current negotiations are expected to lead to an agreement that would eliminate all tariff and non–tariff barriers between the two countries as of January 1.

• (1455)

Could the minister give us a progress report on current negotiations and indicate what steps he intends to take to, for instance, give Quebec bathing suit and lingerie manufacturers a chance to prepare for the advent of the Israelis on the Canadian market?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the discussions with Israel are progressing. They were undertaken some six or eight months ago. They are still at a stage where various details are being considered, including garment manufacturing for example. There are some aspects of the agricultural trade between us that need clarification.

I cannot give the member any definitive report other than to say the negotiations are proceeding.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the minister ought to know that the Israelis enjoy privileged access to the European textile market, unlike Quebec manufacturers.

Since manufacturers in Quebec are concerned about any concessions the federal government might make, does the minister, or does he not, intend to discuss the matter with the Government of Quebec as requested by the Deputy Premier of Quebec on October 23?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, yes, we will see.

* * *

CANADA POST

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, my question is for the minister responsible for Canada Post.

Canada Post is about to enter into a $300 million sale and lease back for all of its outside furniture. The government's partner in this deal is a consortium headed by SNC Lavalin, a name well known as friends of the government, which in fact contributed $73,000 to the Liberal election campaign in 1993.

Will the minister responsible for Canada Post make available a cost benefit analysis of this lease back deal? And will the minister make public the tendering process that is used to put this deal together?

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, given the absence of the minister of public works who is also responsible for Canada Post, I will take this question under advisement and a written answer will be given.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, this is not a nickel and dime deal. I am surprised the minister's representative is not aware of this.

My supplemental is directed to the minister responsible for Canada Post. Georges Clermont, the CEO of Canada Post, is a well–known name to this House as a result of his involvement with the developer José Perez. Apparently a major figure in the consortium that is putting this deal together as the partner of the government is in fact related to Mr. Clermont through a marriage arrangement. Can the minister confirm if in fact the CEO of Canada Post is related through marriage to the head of this consortium? Does he feel it might—

The Speaker: I am not sure that relates to the administrative responsibility of the minister.

Some hon. members: Oh, oh.

The Speaker: If this continues, we are going to be into marriage counselling. Put the question please.

Mr. Harris: Does the minister feel there may be an appearance of conflict of interest, given the relationship of the individuals involved in this deal?

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, given the fact that the hon. member alluded to the Perez–Clermont affair, it should be mentioned again in this House that the matter is in court and it would not be advisable at all to comment on such a situation.

* * *

DOMESTIC VIOLENCE

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, yesterday Newfoundland's select committee on children's interests heard how devastating domestic violence can be for children. There is the horror suffered by one family when a woman was stabbed 33 times by her husband and left for dead.

• (1500)

Could the Secretary of State for the Status of Women tell the House what action the government has taken to help eliminate violence against women?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, my hon. colleague's question demonstrates quite clearly the tragic incident that two–thirds of the cases of domestic violence, homicide, involve women. The government is well aware of the concerns around sexual harassment and race and concerns with respect to the effect of violence on women.

We have acted to address these instances with the firearms control legislation, with the elimination of extreme drunkenness as a defence, with the increased effectiveness of the peace bond, with legislation on criminal harassment or the stalking issue, and with the sentencing reform that includes tougher sentences against hate and abuse of positions of trust, recognition of gender persecution, the whole question of the dangerous offenders and DNA.

The government has moved to ensure there will be safe streets, safe homes and a safer workplace. We shall move some more in this area.

* * *

[*Translation*]

WELFARE RECIPIENTS

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

On October 26 the minister, in an attempt to confuse the Bloc Quebecois, said in this House, and I quote: "In August I received a document from the Government of Quebec that pointed out the number of people on welfare had been reduced, not increased". He forgot to mention that between August 1994 and August 1995, the number of welfare recipients increased by 20,000, and that at least half of this increase was due to cuts in unemployment insurance.

Is the Minister of Human Resources Development satisfied that thanks to his cuts in unemployment insurance, Quebec has at least 10,000 people more on welfare?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I have with me the actual detailed statistics from the Government of Quebec which show for example, that between the month of June and July there was a net decrease of 4,000 people on the welfare rolls. It continued to go down to the point where there was a reduction of 7,000 people on the welfare rolls over that four-month period.

That was acknowledged as well by Premier Parizeau in the National Assembly where he again admitted that there had been a decline. He took some satisfaction from that figure. So did we.

It puts into question the continued allegation by the Bloc Quebecois that these changes have resulted in increased welfare rolls. How can we have an increase when the numbers are going down?

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is time the minister understood the basis for these statistics. The increase in the number of people on welfare is calculated from year to year. And from year to year, we see 20,000 people more on welfare. I would like to table this report in the House a little later.

Does the minister acknowledge that it is entirely unacceptable that, during a period of so-called prosperity, the number of people on welfare in Quebec increases by 20,000 in a single year, as the minister prepares to introduce new reforms that will increase this number considerably?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, during the past year specifically in the province of Quebec—and I do not want to exclude actions we have taken in other provinces—with the changes we introduced last year to the unemployment insurance system, we brought in a special family benefit that enabled over 130,000 Quebecers, primarily women, to receive an additional $1,000 per year over and above their normal payment.

In addition we signed an agreement with the Government of Quebec because we believe in co-operating to help those on low income, especially those with families. It was an $81 million special agreement this summer with the Government of Quebec that would provide an income top up for 27,000 families on low income. This once again demonstrates that when we work together we can finally do something as a government to help people who really have needs.

* * *

• (1505)

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence. We are over $550 billion in debt and every day I ask questions pertaining to the minister's serious mismanagement of his portfolio.

Information I have received today indicates that the minister is purchasing 150 quill pens in black velvet cases. They are engraved in gold with the words Minister of National Defence, for the price of approximately $2,000. This is pure balderdash. Could the minister explain the expenditure to Canadians?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is an Order Paper question. If the hon. member would like a pen, I will send one over.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, it is because of this incompetence that we are $550 billion in debt. I would like to ask the minister: Could you please send me a pen so I can hold it up to Canadians—

The Speaker: I appeal to all hon. members to direct questions through the Chair. I do not know if the minister heard the whole question or if he would like to answer.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, no reply is necessary.

* * *

THE ECONOMY

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I was delighted to learn this morning that we had reached our 1994-95 deficit reduction target.

During the 1993 election campaign we proposed bringing our finances under control in a balanced fashion while building economic growth and jobs in Canada.

Point of Order

Will the Minister of Finance tell my Carleton—Charlotte constituents and the House if we are still on target for next year and still to reach our interim deficit reduction goal of 3 per cent of GDP in 1997?

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 we are on target. Deficit reduction is an essential component of our job creation plan because deficit reduction means lower interest rates and lower interest rates mean more jobs for Canadians.

I assure him that we will hit our interim target of 3 per cent. I assure him that we will hit this year's target of $32.7 billion. I am delighted to say to him that not only did we hit our target for 1994–95, we in fact beat it by $2.2 billion.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is also for the Minister of Finance and concerns the Conference Board of Canada report of a week or so ago, which indicated that productivity and profits are up but that wages are standing still.

Given that this is exactly the kind of economy critics of globalization and free trade predicted would be the case with this new kind of economy, what does the Minister of Finance intend to do about it? Is this the desired state for the Canadian economy? Or, does the government have some plan to make sure that at some point not just profits and not just productivity but wages and the standard of living go up for ordinary Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I am sure there was a bit of a slip when the hon. member asked his question. I am sure he realizes that productivity is an essential element to increasing our real incomes in the country.

From 1973 on, for about 20 years, we had declining productivity throughout the western world and that is why real incomes went down.

Nonetheless the hon. member's question is to the point. That is why there is so much effort on this side of the House to increase Canadian skills, to increase Canada's involvement in the newer economy, to make sure that Canada is not only toiling in those industries where other countries are more competitive because of lower standards of living but that we are the most modern economy possible to create.

• (1510)

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, maybe I could ask for the consent of the House in order to table, on behalf of the Leader of the Opposition, the preliminary report on the results of the counting of Monday's votes. I ask for the consent of the House.

[*English*]

The Speaker: Is there unanimous consent for the document to be tabled?

Some hon. members: Agreed.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would also ask for the consent of the House on behalf of my colleague, the member for Mercier, to table statistics on welfare recipients, as compiled by the Quebec department of manpower and income security, to help the Minister of Human Resources Development. I ask for the consent of the House.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

* * *

POINTS OF ORDER

COMMENTS IN QUESTION PERIOD

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I rise on a point of order under citation 487(1) of Beauchesne's which states that threatening language is unparliamentary. I bring to Your Honour's attention comments of the hon. member for York South—Weston who said very clearly in the House in earlier debate: "You should be tried for treason, Preston".

Those remarks are absolutely threatening and unacceptable. I ask that they be withdrawn from the record of the House.

The Speaker: The hon. member who is mentioned is not in the House now. Your Speaker did not hear the remarks.

We will take the point of order under advisement. We will see if it appears in *Hansard* and we will deal with it at the earliest possible time.

DIVISIONS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, last evening during the taking of various divisions the chief government whip proposed during the division on Bill C–103 that the vote on Motion No. 19 of Bill C–61 be applied to the motion that was then before the House.

This is verified by a review of the video from last night's proceedings. However this reality is not reflected in *Hansard*, as recorded on page 16056 where it shows the government whip applying the vote in reverse.

The video also shows that it was you, Mr. Speaker, who following the House's decision later sought clarification from the chief government whip, although this fact is also missing from *Hansard*.

My first concern is that *Hansard*, the official report of the proceedings of the House of Commons, does not reflect the realities of last night's proceedings. While it is true that members are permitted to make slight corrections to *Hansard* such as grammatical corrections, this type of alteration completely reverses the intent of what the chief government whip clearly stated, which has been verified by a review of the video.

• (1515)

My second point is that unanimous consent was sought to apply the result of report stage Motion No. 19 to the concurrence motion at report stage of Bill C–103. This was, in fact, agreed to by the House as verified on the video.

It was only later that you, Mr. Speaker, noticed the government had applied a vote which resulted in the defeat of Bill C–103 and then asked the government whip if he had meant to apply the vote in reverse. You asked him yes or no.

It is my contention that the House had clearly given its unanimous consent to apply the vote as first specified by the chief government whip. If this was to be changed, it was incumbent upon the Speaker to ask the entire House for its unanimous consent, and not simply engage in a personal dialogue with the chief government whip. If you review the video, Mr. Speaker, you will find the evidence to support my submission.

In summation, I would first like to say how disturbing it is to see that the official record of Parliament does not reflect the reality of last night's proceedings. Second, the video clearly shows that the House gave its unanimous consent to apply a vote which resulted in the defeat of a government bill. If it was a mistake on the part of the chief government whip and he wanted to reverse the decision of this House, then he ought to have sought its consent and not simply told you, Mr. Speaker, what he meant to have said, if it was only that easy.

It is not that easy and it is dangerous to engage in such practices. My reason for raising this point of order is that the most important protection that we as members of the opposition have in this House is you, Mr. Speaker, and the rules of the House.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member has raised a point of order that on its face sounds reasonable.

I urge him first of all to have regard to the practice of this House in relation to the words spoken in *Hansard*. If I am making a speech and I say words that I do not mean to say, that are incorrect, such as when I say a not when I did not mean to say a not, and then repeat the sentence correctly, *Hansard* does not print two sentences, one with a not in it and one without. They print it the way I intended it; it is corrected and printed as one sentence.

Similarly, if I repeat words for emphasis I get reported in *Hansard*, but if I repeat them because of interruptions that might come from hon. members elsewhere in the House, those additional words are not printed in *Hansard*. The editor takes those words out.

I submit in the case that the hon. member has raised there is clearly a misunderstanding as to what happened, as to what the chief government whip said. When it was corrected by a subsequent intervention by Your Honour in asking the chief government whip whether he intended it to be in reverse and he confirmed that he had intended it to be in reverse, there was simply a correction made by the editors to make it appear that there had not been that misunderstanding. The question was not replaced in *Hansard*.

First, *Hansard* has never followed the exact words spoken in the Chamber word for word on every occasion. That has been a practice in this House for as long as I have read *Hansard*, which is over 30 years. I think the hon. member will recognize that fact.

Second, last evening after the vote was applied in accordance with the request by the chief government whip, there was a misunderstanding on the part of the Chair, which I submit was the correct understanding. If the hon. whip is correct in his submission, the thing that should have happened is that the bill should have been defeated because there were more nays than yeas on the division cited. I know that is his point.

My recollection is very distinct. I have not looked at the video to check it but after the vote was applied, Your Honour said: "I declare the motion carried". My recollection is that on Bill C–103 we were dealing with concurrence at the report stage. Your Honour then put the question: "When shall the bill be read the third time?" The answer was, at the next sitting of the House.

• (1520)

The Chair understood the way the chief government whip intended to have the division applied, which was to carry the vote. Everyone in the House understood that the government was going to win the vote and that it was intended to be applied that way.

All the *Hansard* editor has done in this case, in my view quite correctly, is excised the questions that resulted in the clarification and made it appear that the chief government whip did it right the first time. He apparently did make that slip. The Chair, in my submission, understood what he meant and the correct procedure was followed, the bill was concurred in at report stage and third reading was ordered at the next sitting of the House.

Had the Chair correctly heard the chief government whip and applied it the way the hon. Reform whip is now suggesting, that would not have been the result and we would have had a clarification in an awful hurry because I was listening to the proceedings and I heard it go. I was satisfied that third reading had been ordered at the next sitting, otherwise I would have been on my feet.

Point of Order

While I sympathize with the Reform whip in his submission, I submit that the *Hansard* editors have acted very correctly in this case. The hon. member really has nothing to complain about because everything was clarified last night. Nothing was done in secret between the Chair and the chief government whip. It was done on the floor of the House where everyone could see. If there were objections to the procedure the hon. member should have raised them then.

The Speaker: I am going to come back to the whip of the Reform Party. I am now going to go to the whip of the government party.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, as the Chair and all hon. members will know, some time ago informal discussions were held among whips—I know it was a different whip for the Reform Party then—toward arriving at an informal system of accelerating the voting procedure, thereby saving considerable overtime and taxpayers' dollars for votes that would have traditionally taken sometimes seven or eight hours in the evening. They can now be collapsed into a few minutes. This system was established informally with the previous whip.

May I suggest there have been a number of occasions in the past when whips have sometimes indicated that they were voting yea as opposed to nay. Whips across the floor of the House would heckle informally or indicate informally: "No, that is not what you want to do", in an effort to assist each other because this informal understanding has been established with the stated purpose of condensing a process which formerly took several hours.

In order to make the system work even better, an informal document is exchanged among the various whips and given to the Table so if there is an occasional slip–up in the process, it is corrected.

Again, the then whip for the Reform Party would recognize how this was established co–operatively among all whips. I am referring here to the member for Calgary Centre.

The point I am making is that this is an informal system which was established among the whips. Whips have traditionally assisted each other in order to accurately reflect the intention of each respective party in the House and it was done that way.

We could revert to the system which existed before. The system which was in place before costs approximately $25,000 an hour. I believe it costs approximately $17,000 an hour to work regular overtime and $25,000 an hour for extended time. Even the process we used last night could have cost perhaps $100,000 to $150,000 and instead cost nothing to the taxpayers of Canada because we had developed this informal system with all the goodwill that had, up until now, been there. I only wish that the goodwill we have had may prevail after today as it has over the last year since establishing the system.

We had an extremely effective working relationship in the past with the previous whip. I hope it will remain identical with the present occupant of that position on that side of the House. It is my considered belief that when members cease to be able to function with each other, where there are disagreements—and there have been some of those today—that the whips can quickly rally behind the curtain, find out what the disagreement is among members and then hopefully assist each other in making the House work better and assisting Mr. Speaker in his job of serving all of us. That is the system under which we have all operated individually and collegially as a group of whips in the past.

• (1525)

I hope we can continue to assist each other in order to reflect the intention of the House and not try as whips to trip each other up at every possible opportunity.

There is the cut and thrust of debate in the House. That is fair game. I appreciate that. Heaven knows I was a member of that group for longer than many. However, in our role as whips there is also the very close working relationship we have had with each other. I hope and pray that will continue, not for my good, but for the good of this institution and for our country.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, since I am the one whip previous to whom everybody is referring, I thought I should make a quick intervention.

The point our party whip is making, and I checked it with our assistant, is that there was an intervention made by you in the Chair with a member of the House. It is that intervention which is not included in *Hansard*. That is the point. We respect, and I certainly do, everything that has been said here, including the intervention by the member for Kingston and the Islands.

It is okay to correct words and that is what the member for Kingston and the Islands was pointing out. But when an entire intervention is left out, it is a serious omission. I do not believe we are trying to trip up the government; we are just saying that an intervention is missing. That is the concern because what if at some time in the future it is an important intervention? That is the point.

We do intend, hope and will always try to make sure that we continue in the same spirit of co–operation that we have established over the course of time.

Mr. Ringma: Mr. Speaker, there are several points I hope to clarify. First, I endorse what my colleague has just said to the chief government whip. By all means we should continue the system we have for getting on with business. There is no other way to do it.

I would like to clarify too that there is no allegation here whatsoever of secrecy going on. That is not part of it.

I would also like to address one point made by the member for Kingston and the Islands, which is that the correction in *Hansard* was not a result of member's statements but was the result of another vote being taken. So there is quite a difference between the two.

Finally, I must maintain my point of order because my principal point is that we in opposition rely totally on you, Mr. Speaker, and on the rules of the House. Without that we are nowhere.

The Speaker: My colleagues, I have heard both sides and I think your Speaker has to accept some responsibility here, of course. As I recall and if I might just explain, I believe the hon. whip of the Reform Party asked me for a clarification. Upon hearing the whip of the Reform Party I asked the whip of the government party for a clarification. When he gave me the clarification, I looked over at the Reform whip. That cannot be seen in *Hansard* but can be seen on the video. The whip nodded to me, yes he was in agreement, so we went on.

The point that the Reform whip makes is, of course, very valid. The rules should be adhered to. I believe that by and large we have adhered to the rules in this particular circumstance.

Would members permit their Speaker to perhaps make an observation? I have been here for decades and it seems to me that the system the whips of the three parties have worked out, with the independents as well, makes the House work much better in terms of time and understanding. Usually these things are all ironed out before these votes take place.

• (1530)

From my perspective as a long time member of Parliament and also as the Speaker, I think it is good for the institution that we can work together in this way.

If by some oversight your Speaker has failed to ensure this was in *Hansard* I assure the House now that should something like this occur again, I will take it upon myself to see that exactly what is in accordance with the rules is done. I encourage my colleagues to persevere in a system which is new but which does work.

I salute the whips from all parties for what they have done for this institution to make these votes proceed a little more quickly but fairly, which is the important thing here.

I thank you for your comments. I agree with the Reform whip that of course the rules will be adhered to. As your Speaker, I assure you this will be done.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1995–96

A message from His Excellency the Governor General of Canada transmitting supplementary estimates (A) 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.

* * *

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 three petitions.

* * *

IMMIGRATION

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have the honour to table today, in both official languages, the 1996 immigration levels.

This package is a legislative requirement. It is something we have to do by or on November 1 each year. These packages, and this year's is no exception, are always much more than a legislative requirement, much more than something we simply have to do. Simply put, this is a map to the future, a chart which will hopefully guide us into our tomorrows.

• (1535)

One year ago today I stood in the Chamber and unveiled the government's 10–year immigration plan. This plan was the result of an unprecedented and extensive consultation with Canadians from all backgrounds, from all walks of life, in every region of our country. It laid out a clear path which we are following and honouring today.

The levels before the House also demonstrate our commitment to a partnership with both provinces and territories as well as our continued covenant with the people of Canada and those who would call Canada home. They also underline the government's commitment to economic growth but not at the expense of our humanitarian mission.

In 1995 the level range was set at between 190,000 and 215,000. The projection for the end of this calendar year is about 198,000 to 200,000. For 1996 the government has set the level range at between 195,000 to 220,000. The levels are slightly up from last year. This is as we expected and predicted.

Last year we took stock of our immigration program. We made some decisions and made some serious changes. We have reinforced the foundation and now we can begin to build on that program. The levels also show we have achieved what I believe is a healthy balance. We have a large influx of economic immigrants because this is where we said we would increasingly focus our attention through promotion and recruitment around the globe.

We also have preserved a strong family class component. The rebalancing of the economic and family immigrant components introduced in last year's plan is on track. Economic migrants and their families will account for 50 per cent of the overall total of immigrants in 1996. The family class component will make up 46 per cent. The remaining 4 per cent will be accounted for by humanitarian and compassionate landings in Canada.

Canada needs immigrants.

[*Translation*]

Our country needs workers and investors to maintain and improve our standard of living. We need them to help us keep sparking our economy and to create jobs.

As I have said many times in this House, and even more times in communities across this country, maintaining and improving the standard of living of every Canadian is contingent, in part, on keeping a vibrant and dynamic immigration system.

[*English*]

The Canadian experience shows that immigrants as well as refugees become some of the best, brightest, most self–motivated and hard working Canadians. These are the people who will work with us to build a stronger, more economically dynamic country, which is why we are actively promoting Canada as a place in which to settle. We are back in the business of promotion and recruitment internationally, something we have lacked for a number of years. We are getting the message out that Canada was, is and will continue to be a land of opportunity.

In 1996 economic immigrants will include three categories: skilled workers; business immigrants; and a new category called the provincial–territorial nominee class, which is individuals sponsored exclusively by provinces and territories.

We are aware that for people to succeed in today's rapidly changing labour market they have to be adaptable. For this reason we will also be introducing changes very soon to the criteria for the selection of skilled workers. A revamped point system will emphasize the skills needed for long term success in this nation: experience, linguistic skills, education and adaptability to the ever changing global economy.

• (1540)

Business immigrants represent another classification of the economic category. In this regard we expect that between 18,000 and 20,500 business immigrants will come to Canada next year. Over the past year we have worked with our various provincial and private sector partners to examine the two components of our business immigration movement, our investor and entrepreneur classes.

Since it started in 1986, the immigrant investor program has attracted more than 13,000 business people who have invested over $2.5 billion in approved businesses and funds and who in the process created 17,000 jobs for Canadians. The government wants to build on these successes. I want to ensure an even stronger source of risk capital to support growth and job creation, particularly in the small and medium size sector.

Last year the Minister of Industry and I appointed a private sector panel to examine the program and make recommendations for improvement. The report was recently made public and we are considering the responses, advice and comments submitted by Canadians across the country. A new program will be in place by Canada Day of next year.

Like the immigrant investors, the entrepreneur program has one overriding goal: to create jobs and stimulate growth. We want to attract additional business people who can contribute to the Canadian economy through their hands on management of a business entity in our country. In 1996 we will also be introducing changes to enhance the overall economic benefit of the entrepreneur program.

As I mentioned, a new provincial–territorial nominee category will recognize the simple truth about our country, that the employment needs of one province may not be the same as another.

It also acknowledges that Canada is a big country. Not only does it have six time zones, but the kinds of jobs needed in the sub–Arctic will not necessarily be the same in a seaboard community, on the prairies or in downtown metropolitan Toronto. Consequently the nominee category would allow each province or territory to identify a limited number of economic immigrants each year, which will be negotiated and flexible, to meet these special provincial and regional economic needs.

This category is built on the premise that both federal and provincial governments must work closer together, more than ever, if we are to keep pace with an economy changing with lightning speed.

The economic component of our immigration program, however, is only one piece of an intricate tapestry. Woven throughout is our continued commitment to the family and to those in need of Canada's protection.

With respect to immigration policy, the Liberal government has long recognized the importance of the family. We fully and simply appreciate the importance which family plays in the life of an immigrant and in the very life of our country. Let me assure the House that family reunification is and will continue to be a vital component of Canada's immigration program. The concept of family runs through every single category I have spoken of in the last few minutes.

In the 1996 levels plan, the arrival of 78,000 to approximately 86,000 family class immigrants will take place. The majority of these individuals are immediate family members: spouses, fiancés and dependant children of Canadians.

I would like to think our commitment to keeping families together is a good indication of what kind of country we truly are, a country that cares, a country that values compassion and humanitarian values. It is those same virtues which shine through in the refugee policies of not only our government but historically of our country.

• (1545)

When confronted with suffering and atrocities, Canadians do not want us to turn away.

[*Translation*]

Again this year, refugee levels are highlighted separately from the immigration figures, reflecting our belief and practice that the refugee program is best managed in partnership with other interested stakeholders and separately from the immigrant program.

The changes we envision will require greater co–operation between ourselves and members of the private sector. We want to continue to revitalize private sponsorship of refugees and encourage more people to get involved and make a difference.

[*English*]

I am happy to say that we are already making progress on this front. Recently the government and a number of non–governmental organizations formed a partnership to respond to the appeal by the United Nations High Commissioner for Refugees for the resettlement of some 5,000 refugees internationally from the former Yugoslavia. Canada has agreed to take 10 per cent of that number. We have agreed to share the cost of settling a minimum of 500 people in Canada. The government will cover the crucial first three months of financial assistance for refugees and private sponsors will then take responsibility for the remaining nine months or until the refugees are self–sufficient, whichever comes first.

At this point I would like to thank organizations and Canadian families across the country as well as members of Parliament from all sides who have inquired about the program. I give a particularly warm thanks to those individuals and organizations who have acted. A church in New Brunswick is prepared to sponsor a family of four from Yugoslavia before Christmas. On top of the 500 Canada has committed to, the province of Quebec is prepared to take an additional 100 refugees from the former republic of Yugoslavia.

Those are examples of what people of goodwill, compassion and courage can do when they put their minds and their hearts together. Thanks to this Parliament and to a number of government initiatives, we have made a good number of accomplishments in the world of immigration.

We have strengthened the integrity of our immigration system through the passage of Bill C–44 and ushered in changes to the Immigration and Refugee Board. We have been able to obtain agreements with various countries with respect to travel documents for the purposes of removal.

We have worked with communities throughout Canada to help refugees from around the globe. We have co–operated with other departments and Canadians to make sure that Canada's voice at the world population conference in Cairo and at the Beijing conference was both forceful and eloquent.

We have initiated improvements in application processing domestically and around the globe. We are improving our structures continually, as well as looking at how we do settlement and integration of newcomers, not only for their advantage but for the advantage of Canada.

Of course there is always more to do. There are still other items on our agenda that need to be realized, and they will be. As I said at the outset, we have a plan and we are staying the course.

I am an optimist. I believe in immigration. Canada's cherished position in the world today is testimony to the undeniable fact that immigration has served our nation well. There is no reason to question, no reason to have doubts about whether immigration cannot continue to give Canada that strength and that dynamism.

In mapping out our immigration levels for 1996, our destination is very simple. It is a tomorrow that tempers economic growth with care and compassion, a tomorrow that is welcoming and accommodating for our newcomers, a tomorrow that builds a stronger country, in essence a tomorrow that belongs rightfully to Canada.

• (1550)

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would like to make a few comments on the immigration levels that the Minister of Citizenship and Immigration has just tabled before the House under the Immigration Act.

The minister has announced to us that Canada will take in next year a total of 195,000 to 220,000 immigrants and refugees, that is, between 171,000 and 187,000 immigrants and between 24,000 and 32,000 refugees.

He has just mentioned the efforts that Canada is making in favour of refugees. I have taken note of the fact that we have made some efforts regarding nationals from the former Yugoslavia. I would also like the minister to make additional efforts in the case of other countries and other continents, particularly in assisting women and children in distress. I think that we should put an emphasis on women and children in distress, who represent the majority of refugees in the world. Quebec will accept 27,000 immigrants and refugees next year, a quota that was established by the province in accordance with the Canada–Quebec agreement.

We generally agree with the number determined by the minister and his government. In fact, it is almost the same plan as the one he submitted to us last year, except for slight changes. The first change is a small increase of 5,000 new immigrants; the second one is that 3,500 immigrants who are subject to a removal order that is not yet in effect will be admitted for humanitarian reasons; the third change is that a new category has been established, that is, candidates sponsored by a province or a territory. A thousand new immigrants are expected in this category.

The minister has just shown his willingness to work in partnership with the provinces and the territories, but he only foresees 1,000 immigrants for the nine provinces and the two territories. That is not much. That is not a serious effort of decentralization and co–operation with the provinces. We know that the provinces, except Quebec, which already has very definite powers in that field, are also asking for powers concerning immigration. Manitoba and Saskatchewan come to mind, in this regard.

The minister's 1994 figures indicated Canada would receive between 190,000 and 215,000 immigrants in 1995. In fact, for the first eight months of this year, Canada has had only 132,000 new immigrants. I estimate that the total will not exceed 200,000 by the end of this year.

It must be pointed out that potential immigrants are less attracted to Canada, particularly those from many Asian countries. Many naturally prefer to go to the U.S. or Australia, or other countries with a high rate of economic growth. This is the case despite considerable Canadian government investment in advertising and promotion to recruit new immigrants in many countries.

• (1555)

The greatest obstacle, however, without a doubt for new immigrants is the $975 entry tax on top of the $500 up front processing fee. This tax represents an enormous barrier to people from poor countries.

In addition to setting immigration quotas, the minister ought to have announced measures to reduce delays in processing immigration files. Despite some efforts by the minister, which I am prepared to acknowledge, an application for permanent residence in Canada sometimes takes 18 months or more. So refugees who have been here a year or two awaiting refugee status have to wait another year or more to gain resident status, when they can bring in their spouse and children. It is inhumane to keep families apart for such long periods of time. The minister will have to take the appropriate steps on this.

I would also like to denounce the abusive use of DNA testing to prove parent–child relationships. Many members of the Haitian community in my riding of Bourassa, in Montreal North and in all of Montreal complain that departmental employees, particularly in the Canadian embassy in Port–au–Prince, require tests which they feel are discriminatory.

I should add that a DNA test costs $1,000 and, naturally, they often cannot afford it. It should be enough to present a birth certificate to prove kinship.

I would like the minister to tell us what justification there can be for this to be made a practice of in the case of Haitians. Why are European immigrants not subject to the same requirement, except in rare instances? These measures often work against the family reunification program just mentioned by the minister as being a priority for this government.

I would like to talk about the immigration tax in particular. Since its implementation in the last federal budget, the Bloc Quebecois has repeatedly expressed its opposition to this tax, and has opposed this $975 fee immigrants and refugees have to pay to become landed immigrants.

Numerous organizations in Quebec and in Canada have condemned this discriminatory measure and have campaigned against it. Last October 28, which was the national day against the head tax, the Montreal refugee services organisations round table reiterated its opposition to the settlement fees for refugees, immigrants and their families. This very respectable organization said this tax imposed an intolerable and discriminatory burden on these people.

Canada is the only country in the world which has decided to impose such fees on refugees recognized as such under the Geneva Convention. It should be pointed out that the United Nations High Commissioner for Refugees has voiced very serious concerns about this dangerous precedent.

Bob White, the president of the Canadian Labour Congress, said that the head tax is basically contrary to Canadian values of equity, equality and progress.

• (1600)

He added that rich immigrants are able to pay this tax, but that most African, Asian or Latin–American people who want to immigrate to Canada or come as refugees cannot afford to do so. I seize this opportunity to ask the minister why the number of immigrants and refugees from Latin America keeps on getting smaller year after year. For a number of years now, it has been almost impossible to come to Canada from Latin America.

The loans system established to help those who have to pay this tax did not work. A moment ago, an official told us they have no way to assess the impact of this tax abroad. A lot of loan requests are rejected because the candidate will not have the money to repay the loan.

Once again, I ask the minister to put an end to this tax, at least for refugees. I remind him that even some of his Liberal colleagues made such a request regarding refugees. My wife, my two children and I came from Chile in 1974. If we had had over $4,000 to pay in landing fees in order to have our application examined by immigration authorities, we would never have been able to come.

Worse still, all the money collected, estimated at $146 million for 1995, goes into general revenue instead of being used for settlement services for immigrants. Of course, despite the immigration tax which, as I just said, will bring in $146 million in 1995, the transfer of responsibilities to NGOs for immigration and integration of new arrivals will mean a drastic reduction in funds and services.

Already, hundreds of civil servants have lost their jobs with the Department of Citizenship and Immigration. In 1996 alone, the government will cut the number of civil servants by 20 per cent at headquarters and in the regions. Once again, I condemn these massive cuts of civil servants.

In short, I am asking the minister to pay more attention to the reports issued by the Standing Committee on Citizenship and Immigration. It has issued several reports which were tabled in this House, but we never had any feedback from the minister. Although many witnesses have come before the committee and much effort was spent on this, the minister has not bothered to respond to these reports.

I will conclude by saying that the minister should take additional measures to launch an education and awareness campaign, directed at the Canadian people, on the contributions and other positive influence of immigrants in our society.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, as I stand today to respond to the minister's statement on immigration levels for the coming year, I am not particularly reassured by the minister's glowing picture of the state of Canada's immigration policy.

The minor increase in actual immigration numbers is somewhat irrelevant, as the actual number of immigrants who will be arriving this year is closer to the lower levels of projections for this year and will probably be the same next year. However, by announcing a modest increase of 5 per cent, the government can say it is moving closer to its red book promise.

• (1605)

The Liberal red book states: "We would continue to target immigration levels of approximately 1 per cent of the population each year". That works out to approximately 300,000 immigrants a year, and we are only at two–thirds of that total. I would suggest this is a much more reasonable number than the red book promise, but a number that is still likely to cause difficulty.

Part of the problem with these numbers is that the minister's own department is having difficulty handling and processing the applications. Last month one of the managers from the Vegreville office spoke to MPs' staff in the Vancouver area. At that time he announced that the Vegreville office had a backlog of over 15,000 files, with 7,000 of those files being over a year old. If we have that type of backlog now, what is going to happen if the Department of Citizenship and Immigration proceeds with its proposed cutbacks of up to 25 per cent of its staff?

Another interesting aspect of this announcement on new levels is the new category of provincial–territorial nominees. This new category will give the provinces and territories, with the exception of Quebec, the ability to share a grand total of 1,000 immigrants. As I said, with the exception of Quebec. Under the Canada–Quebec accord, Quebec already has sole responsibility for the selection of immigrants destined for that province. This applies only to economic immigrants. Nevertheless, last year Quebec had the ability to choose more than 11,000 economic immigrants who came to that province. In a sense of fairness, the federal government has decided to permit the rest of the provinces and territories to have a say in selecting a total of 1,000.

The numbers show another interesting aspect of the Canada–Quebec accord. Under this arrangement Quebec received $90 million to spend on settlement in that province. The federal government in turn spent about $270 million in the rest of Canada. Thus, Quebec's share was about one–quarter of the total allotment, which was fairly consistent with Quebec's one–quarter of the population in Canada and was fairly consistent with

Quebec's intent to settle 47,000 of the immigrants to the country, or one–quarter. However, a funny thing happened on the way to the forum. Quebec settled only 26,000 immigrants last year, which is only 13 per cent of the total. Yet it still received $90 million, or approximately one–quarter of all settlement dollars.

Next year Quebec will settle only 27,000 immigrants and refugees, or approximately 12 to 13 per cent of the total. Yet it will still receive $90 million, or 25 per cent of the funding.

Given Premier Parizeau's comments about the ethnic vote in Quebec, I can understand why immigrants are reluctant to move to that province. However, the reality is that the federal government is now funding the settlement of immigrants in Quebec at a rate twice that of the rest of Canada.

Levels, numbers and dollars are only one part of the equation. Canadians are just as concerned about the quality of the immigrants we are receiving as we are about the number of immigrants we are receiving. Polls show there is not a great deal of public support for Canada's current immigration in this nation. The government likes to say it is because of the Reform Party that such support is down. While I appreciate the government's acknowledging our influence, I must inform its members that our party is just reflecting the concerns of ordinary Canadians.

Ordinary Canadians get upset when they hear that 14 per cent of sponsorship obligations are in default, to the tune of $700 million in 1993. They get upset when they read in the September 30 edition of the Ottawa *Citizen* that 19 per cent of welfare recipients in the Ottawa–Carleton region are immigrants and refugees. They want this government to get tough on sponsors who default on their obligations. Instead, they hear about cases like Mohammed Assaf.

• (1610)

In 1989 Mohammed Assaf sponsored his brother and family to settle in Alberta. Within two years his brother's family went on welfare. The Alberta taxpayers have had to shell out $40,000 in welfare payments. Despite attempts by the Alberta social services to collect the money from Mohammed, the sponsor, he ignored them. He then wanted to sponsor his second wife to come to Canada. In their wisdom, the immigration department officials said no, he could not sponsor her because he had an outstanding sponsorship obligation already.

Mohammed Assaf paid back $8,000 of his $40,000 obligation and then came up with a better idea: He would appeal to the IRB. Guess what happened? The IRB members said: "Do not worry about your debt to the Canadian taxpayer, we will let you sponsor your second wife here anyway".

What kind of message does this send, not only to the immigrant community but to the Canadian public at large? Outrageous IRB decisions like this one undermine everything the minister says he is trying to do to rectify the problem of defaulted sponsorship.

It is not good enough to blame the IRB. The members of the board are patronage appointees the minister installed. It is somewhat ironic that everything the minister is trying to accomplish through his department is being undone by the political hacks he appointed to the IRB.

While the percentage of immigrants who arrive in this country via the family reunification aspect of immigration is being reduced, it is still a major problem area. Most Canadians will acknowledge that the reunification of family members is a valid goal. However, this reunification must be limited to immediate family.

As reported in one of the studies incorporated in the book *Diminishing Returns*, over recent years each individual who has immigrated to Canada under the family class has had a multiplier effect of an additional seven immigrants. Unfortunately, many of these are solely done for money, be they arranged marriages for a large dowry or outright sham marriages. I have been informed of one case in which a woman was upset because she was having difficulty sponsoring her fourth husband in four years. Shams like these contribute to bringing the whole system into disrepute.

On the plus side, we have those immigrants who do make a positive contribution to Canada's economy. Studies consistently show that these people make more money than native–born Canadians.

Last year the minister proudly announced that the percentage of economic immigrants will rise from 43 per cent to 55 per cent of all immigration. While this may sound good, it is somewhat deceptive. In fact the majority of immigrants who come under the economic class are not those high income earners but the dependants of high income earners. In reality, only 17 per cent of those in the immigrant class are these high income individuals. When we add refugees to the equation, only 14 per cent of all newcomers to the country are economic immigrants.

Unfortunately, many of these individuals are becoming disillusioned with what they find here. Media reports from Vancouver recently indicated that many of these immigrants who arrived from Hong Kong are returning to Hong Kong. They cite the high and numerous taxes in Canada as well as endless government regulations that tend to discourage the creation of wealth as the main reasons they are leaving. Is it not ironic that these individuals believe they will be better off from a business perspective under the communist regime of the People's Republic of China in a couple of years than they are under the Liberal government today?

Finally, I would like to discuss Canada's acceptance of refugees. We have always been generous in accepting legitimate convention refugees, and we should continue to receive our share of those fleeing persecution from conflicts in Africa, Asia and the former Yugoslavia. Unfortunately, convention refugees are not necessarily what we are getting.

• (1615)

One of my staffers recently met with a young Somali refugee currently attending Ottawa University. The only problem is that this individual is neither a refugee nor a Somali. Rather he was born in neighbouring Djibouti and while a resident of France he came to Ottawa to go to university. When he started to run low on funds he went to a local Canada immigration office, claimed to be a Somali refugee and now the Canadian taxpayers are funding the rest of his education.

How about Tejinder Pal Singh, a convicted airline hijacker? He arrived in Canada, claimed refugee status under an alias and is now free on bail in Vancouver while the IRB hears his case.

If the government wants Canadians to openly accept refugees, then it had better make sure we are opening our doors to legitimate convention refugees and not murderers, hijackers or scam artists.

If the government wants all Canadians to support its immigration policy, then it had best make sure that it is bringing in people who want to make a positive contribution to our country, and not in the minister's own words the "wretched refuse" from "teeming shores".

* * *

[*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 96th report to the House of the Standing Committee on Procedure and House Affairs on the membership of the Standing Committee on Human Rights and the Status of Disabled Persons and the list of associate members of the Standing Committee on Canadian Heritage.

If the House gives its consent I intend to move that this report be concurred in later today.

[*English*]

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Myron Thompson (Wild Rose, Ref.) moved for leave to introduce Bill C–355, an act to amend the Corrections and Conditional Release Act (arrest without warrant).

He said: Madam Speaker, this is a short bill to amend the Corrections and Conditional Release Act. It would allow police forces throughout the land to arrest without warrant a person who is in breach of a condition of parole or statutory release. It has been stated to me by a number of police officers throughout the country that if they had the ability to do this, they would be able to prevent a number of crimes from happening. I believe that prevention is a major concern and a major goal of all parties of the House.

When the idea was presented to me by the police forces, it was thought that it would be an extremely useful preventive tool. It would prevent death, injury and harm to property and lives of other Canadians. I hope this will become law soon.

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

* * *

• (1620)

SUPPLEMENTARY ESTIMATES A, 1995–96

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 referral of the estimates.

I move:

That supplementary estimates (A) for the fiscal year ending March 31, 1996, laid upon the table on this day, November 1, 1995, be referred to the several standing committees of the House, in accordance with the detailed allocation attached.

In accordance with our normal practice and if it is agreeable to the House, I ask that the list be printed in *Hansard* as if it had been read.

The Acting Speaker (Mrs. Maheu): The House has heard the suggestion of the hon. President of the Treasury Board. Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture and Agri-Food

Agriculture and Agri-Food, Votes 1a and 15a

To the Standing Committee on Canadian Heritage

Canadian Heritage, Votes 1a, 5a, 10a, L21a, 25a, 30a, 45a, 80a, 130a and 145a

To the Standing Committee on Environment and Sustainable Development

Environment, Votes 1a and 10a

To the Standing Committee on Finance

Finance, Votes 1a and L30a

National Revenue, Vote 1a

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Vote 1a

To the Standing Committee on Foreign Affairs and International Trade

Foreign Affairs, Votes 1a, 5a, 10a, 16a and 20a

To the Standing Committee on Government Operations

Canadian Heritage, Vote 140a

Privy Council, Votes 1a and 5a

Public Works and Government Services, Votes 20a, 21a, 31a and 41a

To the Standing Committee on Health

Health, Votes 1a, 5a, 10a, 20a and 25a

To the Standing Committee on Human Resources Development

Human Resources Development, Votes 1a, 5a, 10a, 15a, 25a, 30a and 50a

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 15a

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 1a, 5a, 10a, 15a, 35a, 45a, 46a and 55a

To the Standing Committee on Industry

Atlantic Canada Opportunities Agency, Vote 1a

Finance, Votes 45a and 50a

Industry, Votes 1a, 25a, 65a, 75a, 80a, 85a, 90a and 95a

Western Economic Diversification, Votes 1a and 5a

To the Standing Committee on Justice and Legal Affairs

Justice, Votes 1a, 5a, 40a and 45a

Solicitor General, Votes 1a, 10a, 15a, 25a, 30a and 45a

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 10a, 15a and 20a

Veterans Affairs, Votes 1a, 5a and 10a

To the Standing Committee on Natural Resources

Natural Resources, Votes 1a, 20a 30a and 35a

To the Standing Committee on Transport

Transport, Votes 1a, 5a and 10a

To the Standing Joint Committee on Official Languages

Privy Council, Vote 25a

(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.): Madam Speaker, I move that the 96th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

That is the one I tabled earlier, changing the names of members of various committees.

(Motion agreed to.)

INDUSTRY

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I move:

That the House, pursuant to Standing Order 119(1)(i), authorize the Standing Committee on Industry to televise its meetings with banks and other lenders during the week of November 6, 1995, in accordance with the guidelines pertaining to televising committee proceedings.

(Motion agreed to.)

* * *

PETITIONS

GOVERNMENT CONTRACTS

Mr. George S. Rideout (Moncton, Lib.): Madam Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition dealing with the tendering practices of the Department of National Defence.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, if Question No. 223 could be made an order for return, the return would be tabled immediately.

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

Some hon. members: Agreed.

[Text]

Question No. 223—**Mr. Frazer:**

Concerning the Department of National Defence and appeals of Court Martial decisions it has initiated for the period of January 1970 through June 1995, (*a*) by year, how many appeals of Court Martial decisions has the Department of National Defence initiated during the period specified, (*b*) what are the details, including names and dates, of those Courts Marital which were appealed by the Department of National Defence, (*c*) what was the initial Court Martial verdict and sentence in each case, (*d*) for what reason did the Department of National Defence appeal each Court Martial decision during the years specified, (*e*) what was the final outcome in each of the Court Martial appeals initiated by the Department of National Defence?

Return tabled.

[*English*]

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

The Acting Speaker (Mrs. Maheu): 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.): Madam Speaker, I ask that Notices of Motions for the Production of Papers be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.) moved that Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canadian Agricultural Products Act, the Feeds Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, be read the third time and passed.

He said: Madam Speaker, I am pleased to have the opportunity to speak for a very few minutes this afternoon at the final stage of consideration given to Bill C–61, the agriculture and agri–food administrative monetary penalties act.

• (1625)

I am very pleased to be able to report to the House, as has been noted earlier in our debates, that this legislation enjoys the solid support of key Canadian agri–food industry associations. Members of the House have already had ample opportunity to consider the bill in detail. Members are well aware of the benefits of Bill C–61 and there is very broad support in the House for the principle of what we are trying to accomplish. Therefore, my comments today will be brief and to the point as I reiterate just a few of the highlights of Bill C–61.

First, this bill will provide my department's officials with a broader range of measures to effectively enforce food safety and quality regulations. For example, they will have the authority

and the power to impose monetary penalties and to negotiate solutions to violation situations rather than over–reliance, which has been the case in the past, on the only tool available to them, criminal prosecution.

The bill allows the government to meet industry demands for a system that applies equal and consistent enforcement practices against both importers and domestic companies that market products which do not meet Canadian health, safety or quality standards. This will help to create a level playing field for the domestic food industry.

Bill C–61 will strengthen our enforcement at border points. It will do so by allowing us to issue monetary penalties at ports of entry for violations committed by the travelling public who attempt illegally to bring meat and plant products into Canada that could introduce animal or plant diseases that do not naturally occur in our country.

Bill C–61 is fair and it is expedient. It allows for negotiated solutions for non–compliance. Administrative monetary penalties can be reduced to zero if a violator takes immediate corrective action to come into compliance. After all, that is the objective, to achieve compliance. This results in a better product and more effective enforcement. In this way the system emphasizes compliance and not punishment.

Finally, Bill C–61 will improve the competitiveness of Canadian industry while helping to maintain Canada's well–established international reputation for high quality health and safety standards.

The use of monetary penalties is not a new concept in the federal regulatory system. It is consistent with initiatives that are being undertaken by other departments. Similar systems to the one we are proposing in Bill C–61 are in use by the Department of Transport and by the Department of Human Resources Development.

One point was raised in the committee discussion of Bill C–61, and was raised at the report stage here in the House, which I should deal with for just a moment is the erroneous suggestion that my parliamentary secretary might have in some way misled members of the Standing Committee on Agriculture and Agri–Food with respect to the letters of support my department received from industry associations during the consultation process related to this bill.

Industry stakeholders have been kept fully informed of the progress of Bill C–61 right from day one. They will continue to be informed until the legislation is ultimately enacted.

Agriculture and Agri–Food Canada started the consultation process on the bill in early 1992. That was during a regulatory review process. The regulatory review confirmed that there was very broad industry support for the concept of an administrative monetary penalty system.

• (1630)

Later in October 1992 a letter was sent by Dr. Art Olson, the assistant deputy minister in my department for the food production and inspection branch. That letter went to all affected industry associations, including those referred to in the list of industry associations which was provided to the Standing Committee on Agriculture and Agri–Food during its consideration of Bill C–61.

The letter from Dr. Olson informed all of those industry organizations of the department's intention to introduce a system of administrative monetary penalties. The department also during that period engaged in face to face negotiations with a number of relevant groups. After that initial contact and consultation with industry, my department received a number of letters of support from industry organizations.

On the day Bill C–61 was tabled in the House for the first time in December 1994 another letter was sent by my department, this time to 132 industry associations to inform them specifically that the process had moved beyond the consultation stage, beyond the drafting stage to the point at which there was now a formal bill printed and ready to go. It was important to inform the industry of that progress.

In addition to the letter to the 132 industry associations, included in the package was a four–page background document outlining all the important provisions of Bill C–61. The letter in December 1994 specifically invited representatives of the industry to follow up with the department if they had any questions or concerns. A few inquiries came in for further detail.

It is important to note that during that process not one of those organizations, the 132 industry associations consulted, indicated it had changed its position of support for Bill C–61. At the same time the second letter went out a news release was sent to more than 1,000 media and industry contacts to make sure they were informed as well.

Since December 1994 until now the process has moved along through the various parliamentary stages. In recent weeks departmental officials have contacted 10 of the industry associations that had originally indicated support for the legislation. These are the associations referred to by the member for Kindersley—Lloydminster when he raised questions as to whether these organizations were still supportive of Bill C–61.

Those organizations have been contacted once again to reconfirm their position. Of those 10 organizations mentioned by the member for Kindersley—Lloydminster only three said they had ever been contacted by the Reform Party. Nine said they fully continue to support this legislation. The tenth involved a person who had just come on to the job in the last number of weeks and was not yet in a position to express an opinion.

The department is making arrangements to ensure the individual in that important position will be fully briefed by the department on all the details of Bill C–61.

It is quite obvious the consultative effort here has been lengthy and thorough. The information provided to the committee and to the House by the government and representatives of the government with respect to this consultative process has been complete and accurate.

• (1635)

The process of bringing Bill C–61 now to its final stage in the House has been a good process. There has been ample time for good discussion. Many ideas have been brought forward in that process, either informally in the drafting stage or formally in the form of amendments in committee and in the House which have been very useful. The government has demonstrated openness and flexibility in dealing with all of these ideas. A number of those proposed amendments were accepted by the government and have been incorporated into what is now the final draft of Bill C–61.

The bill will provide for a system which will deal with violations and potential violations of health and safety rules and regulations. It will be faster, fairer, more cost effective and more flexible in order to increase compliance with all of our health and safety regulations pertaining to agriculture and agri–food and also to assist Canadian agri–food businesses in winning and maintaining a competitive edge.

With the thorough discussion we have had with respect to this legislation and all of the proposed amendments, I urge my fellow members of the House on both sides to support Bill C–61 and to give it speedy passage on its way to the other place.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, I was not present during last week's debate on Bill C–61. It is my friend and colleague, the member for the riding of Lotbinière next to mine, who participated in the debate in this House on the official opposition's amendments to Bill C–61.

As you know full well, I had to work hard in my riding of Frontenac to campaign against my colleague who sits on the opposition benches in the National Assembly in order to obtain a yes majority in that riding. I take this opportunity to thank my constituents for supporting the option of sovereignty with partnership.

I, however, read these proceedings carefully and I must say I am surprised by the government members' frivolous comments on our amendments. Nevertheless, the Bloc Quebecois feels that Bill C–61 will allow the Department of Agriculture and Agri–Food to meet several of its objectives, in particular relieving pressure on the courts and the resulting savings for taxpayers. In this regard, the Bloc Quebecois agrees with the principle of administrative monetary penalties.

We, however, cannot support the bill as tabled by the government for a very simple reason, namely that the federal Department of Transport implemented a system of monetary penalties without allowing offenders to negotiate these penalties with the department. We in the official opposition see this opportunity to negotiate penalties as the Achilles heel of the bill. Yet, the federal department of agriculture did not consider the amendments put forward by the Bloc Quebecois and continues to support the principle of penalty negotiation.

That is why the Bloc Quebecois thinks that this bill could have a major impact on the way justice is served.

• (1640)

Judicial power differs from legislative power. Here, in the House of Commons, we can discuss, improve, analyze and review bills, but when it comes to implementing them, the judicial system takes over. In a self–respecting society, the judicial system must never have a close and direct link with the legislative power. Otherwise, what kind of society would we be living in? Does the government seek to have a totalitarian society in which our fellow citizens would be accountable to their elected representatives, and in which the judicial system would lose its authority? I certainly hope that we will not live in a totalitarian regime.

Consequently, it is very unfortunate that the federal government flatly rejected the amendments proposed by the Bloc Quebecois. These amendments sought to eliminate the risk of arbitrary decisions in the administration of penalties.

The Minister of Agriculture should recognize that the compliance agreements and negotiations which he will allow to reduce the penalty imposed on an offender are not exactly what the doctor ordered to reach his objective, which is to reduce the workload of the courts.

As his colleague, the Minister of Transport, knows from experience, it is much more beneficial for an offender to immediately pay a fine than to go to the courts, particularly if he knows that his is a lost cause. The monetary penalty system is, in itself, a good enough incentive to encourage the offender to settle the issue out of court. Any compliance agreement to reduce the penalty does not do anything more, except create a major risk of unfairness in the administration of penalties.

The amendments tabled by the Bloc Quebecois, through the hon. member for Lotbinière, sought to abolish any form of compliance agreement or negotiation between the department and the offender. The Minister of Agriculture has not convinced us, far from it, that there is no risk of arbitrary decision in this monetary penalty system. We still feel that the negotiation process allowing a departmental officer to reduce the penalty of an offender is unfair and, more importantly, dangerous for a democracy.

The member for Brandon—Souris justified the quick rejection of the amendments proposed by the Bloc Quebecois by saying, and I quote: "The important thing in these matters is that compliance is achieved. Whether or not there is a reduced or an increased penalty is secondary in most cases to bringing about the change by the perpetrator of the infraction".

The Minister of Agriculture and Agri–Food fully agreed with that earlier when he said that compliance is more important than enforcement.

I was talking with the chief of police of a small community in my riding who had to go to Sherbrooke to testify. To show how ridiculous the fines and penalties have become, he told me that people indicted on seven or eight charges for offences at their summer cottages passed him on his way back to his community, such was the speed with which they had been able to settle the fines. Despite the jail sentences provided for in the case of such offences, they were dealt with so fast that they passed the chief of police at high speed, and made gestures I would not dare make in the House.

• (1645)

Our police forces are so dispirited that often they wonder whether they should do their job or close their eyes and pretend not to see, because our justice system is going downhill and bankrupt.

In other words, the hon. member for Brandon—Souris feels what matters is compliance, not whether the law is enforced fairly or not. He cannot answer that question. I am sorry, but in Quebec we do not buy that kind of justice.

Make no mistake, the amendments put forward by the Bloc Quebecois were not to abolish the monetary penalty system. As I said earlier, the Bloc Quebecois agrees with this principle which will help to reduce the caseload of the courts.

However, this is a new and intelligent approach, especially in times of financial crisis. Having said that, the caseload of the courts should not be reduced and a parallel justice system should not be created if it means the implementation of an arbitrary justice system. The possibility of negotiating the penalty with civil servants introduces an unacceptable bias in the penalty process.

More specifically, after noticing an offence, officials of the Production and Inspection Branch will recommend to their director the appropriate penalty to impose. We therefore have a centralized decision process and the department maintains that the regulations eliminate the risk of arbitrary decisions. But that is not true. It is not true and indeed the government has not even seen fit to introduce the regulations, even though they are very important in this case, to assess the relevancy of a negotiation system to reduce the penalties.

A departmental official is authorized to reach an agreement with the offender to reduce the penalty by $1 for every $2 the company will invest to improve its procedures, buy new equipment or train its employees. We are against such a principle. In our justice system, penalties are not negotiable. I repeat: in our justice system, penalties are not negotiable.

I look at my colleague, the hon. member for Brome—Missisquoi, who once was the president of the bar in his district. He knows full well that someone who has been found guilty of an offence does not have the opportunity to negotiate his or her penalty or sentence, far from it.

Imagine, Madam Speaker, that you are on highway 401 going to Montreal and that an OPP officer stops you for speeding, for example. You start to negotiate with him. You are guilty, you were doing 140 kilometres an hour and you negotiate with the OPP officer: "Look, I was doing 140, I was going down a hill, the car started to go faster, so be indulgent with me. I am the Deputy Speaker of the House of Commons. Write down on the ticket that I was doing 121 kilometres or just let me go."

• (1650)

Would that kind of double-standard justice be acceptable? No. I do not think, Madam Speaker, that Quebecers would accept that you negotiate your speeding ticket with an OPP officer, let alone with an officer of the Sûreté du Québec, because it would not be appropriate for a member of Parliament, especially for the Deputy Speaker of the House of Commons, to do so. And it is possible with this legislation that agricultural producers and people in related industries could negotiate, by mutual agreement, an unprecedented reduction of their penalty.

This could have an adverse effect on the viability and also on the reliability of our agricultural products here, in Canada. I heard that it was possible to negotiate a speeding ticket, but you certainly understand as well as I do that it is not an ideal situation. In this case, an offender who is better off financially and who would be in a position to invest in order to correct a particular situation would be rewarded for that through a reduction of his or her penalty. For each $2 invested, the penalty would be reduced by $1. This way, the person who has enough money could have the penalty reduced to zero, whereas the person who does not have that much money could not settle the matter in the same way. Therefore, this proposal would introduce some inequity into our justice system.

People or businesses would not be treated equally; they would be treated according to their spending power. Moreover, who would assess the cost of the efforts made by a person or a business to correct a particular situation? For instance, training may cost more in a particular region, and the same applies to equipment, which means some individuals and companies will be penalized.

Will they be informed of all the approaches available to them to correct the situation? What happens in the case of padded invoices involving collusion by suppliers? If we are looking for incentives to step up training and investment in a company, we should improve on methods that already exist, such as fiscal or other incentives, but these should not be used to negotiate a penalty.

The bill also calls for a 50 per cent reduction in the penalty if the person who commits the violation pays the fine without challenging the decision or requesting a review by a tribunal. I repeat, we are opposed to this concept. Under our legal system, the presumption of innocence is a fundamental right. Madam Speaker, I would like to go back to the example I mentioned earlier. You are clocked at 140 kilometres per hour, and your fine is $225. You get your ticket, you pay on the spot or within seven to ten days, but under this particular system, if you pay without challenging your ticket, the fine is halved.

So $225 divided by two is $112.50. To avoid clogging the courts, the fine will be reduced by 50 per cent. This is ridiculous. Unless of course the government has a brilliant idea and decides to double the fines while at the same time introducing incentives. In that case, it is misrepresenting the enforcement of this legislation.

Under our legal system, the presumption of innocence is a fundamental right. For instance, in a situation that could go either way, the company or individual is given to understand that they are better off paying the fine without further ado.

• (1655)

The individual is entitled to a review but is told: "Listen, you have a gun at your head". He will be told he has already been found guilty and that if he wants to reduce his penalty, the best thing is to pay up without a fuss. And what about the right to representation?

The Bloc Quebecois proposed amendments to ensure that the president and members of the tribunal who are responsible for reviewing decisions made by departmental officials are able to do so. The people who committed violations could, if they so desire, have a hearing before the tribunal in order to request a review of his penalty. However, the tribunal—listen to this, Madam Speaker, this is very important—is appointed by the minister and the mandate of its members is renewable. Members are to assess decisions made by departmental employees who obviously are answerable to the minister. Is there not a conflict of interest here?

People sitting on this tribunal who would like to see their mandate renewed for a second term would be more inclined to do the department's bidding, while someone who refuses to do so would not see his mandate renewed.

In any case, I was looking at the procedure used to appoint the president of the UI Board of Referees in Thetford, in my riding. The person appointed to chair this board and rule on UI disputes was probably a good choice politically speaking, because she is connected with the Quebec Liberal Party and the Liberal Party of Canada, but she has never seen a worker or an unemployed worker up close. Why not take someone who knows about unemployment insurance, other than in books, someone who has had experience with it? This is patronage. In any case, it would appear to be a recommendation from the Frontenac riding Liberal association, which was accepted.

I hope that we are not going to go the same route here in appointing people, that the appointees will already have had a close look at the system they are being asked to work on—in short, competent individuals. Maybe competence will mean having campaigned in the Liberal Party at both levels, in Quebec City and in Ottawa—this is what makes competent people.

To ensure greater transparency in the appointment of the chairperson and the members of the tribunal, we in the Bloc Quebecois have suggested that they be appointed by the minister with the approval of the Standing Committee on Agriculture and Agri-food. However, the members of this government represent the majority on the agriculture and agri-food committee, as elsewhere; they control it and always get their way.

We in the opposition, with our colleagues from the third party, simply ask questions. We propose resolutions, obviously, motions that are usually relegated to the shelves, because the government party makes use of its majority. They could have circulated their list of names of the chairperson and of the tribunal members, and have the committee validate it at least. They refused. And they say their party is democratic.

• (1700)

You all know that the world of agriculture is a very small one. However, once again, our amendments have been quickly dismissed with a wave of the hand. The government also showed it paid little attention to the proposals put forward by the official opposition. As the Bloc Quebecois agriculture critic in this House, I note that the government has never taken amendments proposed by the Bloc Quebecois into account in this area. Although we support the basic principle of a system of administrative monetary penalties, we are well aware that there was no need for the government to add a penalty bargaining system.

In fact, this is what officials from the department confirmed during their appearance before the Standing Committee on Agriculture and Agri-food. On its own, the monetary penalty system is enough of an incentive to free up the courts.

The Bloc Quebecois therefore vigorously opposes Bill C-61, because it establishes a system for penalty bargaining between officials and those who have committed violations. This new form of justice is not currently practised in Quebec. It seems to me to be contrary to Quebec traditions and to our system of justice. I suspect that this sort of consideration was not taken into account when the bill was drafted. I would be curious to see whether the Minister of Agriculture and Agri-food would be prepared to revise this legislation if, on implementation, it proves to be in conflict with the traditions and values of Quebec society.

In short, this bill on monetary penalties has an interesting purpose: to relieve pressure on the courts.

What we in the opposition disagree with is the opportunity to negotiate penalties. This will, I am sure, lead to abuse, to negotiations under the table, to questionable negotiations.

Mr. Robichaud: No, no, no.

Mr. Chrétien (Frontenac): Yes, questionable. This bill may hurt agriculture instead of helping it.

Mr. Robichaud: That will not happen.

Mr. Chrétien (Frontenac): My colleague from Beauséjour knows full well that when a fisherman is caught red-handed in violation of federal legislation, we do not negotiate on the size of the fish he caught on the sly, or on anything else. The individual guilty of fishing off his riding will be caught and prosecuted.

As I said, the judicial and legislative branches of government must not sleep in the same bed. Never. Yet, there are many lawyers in this party. They should be the first ones to denounce Bill C-61 because it is flawed.

Mr. Robichaud: No. Jean-Guy, you just said that you would support it.

Mr. Chrétien (Frontenac): No, we will not support it. I find it disturbing, Madam Speaker.

Its purpose is commendable. To take your own example, Madam Speaker, you get a $225 speeding ticket for driving 140 kilometres an hour and you pay it. If you pay it, will your fine be cut in half? No. And that is a good thing.

• (1705)

As my colleague who was president of the Bar in his region, the hon. member for Brome—Missisquoi, knows full well, the substance of the bill is valid. However, the possibility of negotiating fines—not up, of course, but down—raises serious questions regarding the viability of administering Bill C-61.

For these reasons, I will, in closing, remind you that the Bloc Quebecois will not join the government in supporting Bill C–61.

The Acting Speaker (Mrs. Maheu): I wish to inform the House that because of the ministerial statement Government Orders will be extended today by 43 minutes, pursuant to Standing Order 33(2).

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I rise in the House to talk about Bill C–61, the agriculture and agri–food administrative monetary penalties act.

Plans for administrative monetary penalties have been on the books in the department of agriculture for at least a couple of years. Under a system of administrative monetary penalties, or the AMP system, an inspector who determines that a violation of an agri–food act has been committed can impose a fine on the offender rather than go through the judicial system. The main goal of the AMP system according to the department is to obtain compliance rather than to punish. The United States and some countries in Europe have been using an administrative monetary penalty system for some time.

The Reform Party is not opposed to the concept of administrative monetary penalties. We like the idea of a penalty system that is more efficient and cost effective, a system that helps individuals and companies to comply with regulations. In addition, most of the organizations I have talked to support the concept of administrative monetary penalties. However there is a difference between supporting the concept of an AMP system and supporting an AMP system as proposed in a piece of legislation.

Before I discuss the problems associated with the legislation, I believe it would be helpful to the House to give a short account of the history of Bill C–61 since it started some time ago. On December 5, 1994, Bill C–61 was given first reading in the House. Second reading of the bill was given on February 10 and 13 of this year. It was then referred to the Standing Committee on Agriculture and Agri–Food for consideration, and the standing committee reviewed the legislation on March 15, 23, 30 and April 4 of this year.

On March 15 departmental officials explained the bill's provisions and answered questions. On March 23 Transport Canada officials explained the administrative monetary penalty system introduced in 1985 under the Aeronautics Act and answered questions. On March 30 Ghislaine Richard, former vice–president of the Civil Aviation Tribunal, provided evidence to the committee on the function of the tribunal particularly as it related to the implementation of Transport Canada's administrative monetary penalty system, and she answered questions.

On April 4, Agriculture and Agri–Food Canada officials returned to respond to concerns expressed by the members about disincentives to contest charges, the burden of proof criteria for adjusting the penalty amount and other issues raised during discussion of the bill. The bill was then put to bed and because of the criticism of the bill we thought it may never come to prominence in the House again.

I raised a point in committee and in the House which the minister of agriculture commented on a few minutes ago. In committee the parliamentary secretary for agriculture handed out a list of industry associations that he claimed had personally endorsed Bill C–61. He also suggested there were letters available that would verify this endorsement and that we were welcome to request copies of the letter if we chose to do so.

We requested the letters of endorsement and found that a majority of the letters had been written two to three years before the bill was tabled in the House last December. We acknowledge the fact that the department of agriculture consulted with the industry associations. However we have some qualms about the way the parliamentary secretary for agriculture presented the facts or lack of facts to me and my colleagues with regard to the endorsement of the legislation.

Most of the letters to the department endorsed the concept of an AMPS but not necessarily the bill as it exists before the House today.

• (1710)

The minister of agriculture suggested that we had only contacted three on the list of organizations that we were given indication had endorsed Bill C–61. The minister is wrong. Since the list was submitted by the parliamentary secretary to the committee, we have contacted directly presidents or government relations people from eight of the eleven organizations on the list.

In several cases the signatories of the letters were no longer with the organization. This presented a problem in tracking down the appropriate spokesperson. The eight organizations that we directly contacted included those on the list of the parliamentary secretary that he distributed to the committee. We were unable to speak with some of the people because they were no longer in the organizations they used to represent.

The parliamentary secretary indicated that these were the letters of endorsement he had on file for Bill C–61, and that was not true. Bill C–61 was not in existence when the letters were written. Perhaps, as the minister suggested, there was some other correspondence with these organizations. He certainly has not given us copies of any further endorsements of Bill C–61 and what date the endorsements came about. He told us he issued press releases and had communications with 100–odd organizations but he has never given us any hard copies that would validate his claims.

When we contacted the people whose names had been given by the parliamentary secretary, they were quite surprised to find out there was a Bill C–61. On a few occasions they asked for a copy of the bill and said that if they are supposed to have endorsed the bill they should at least see what it is, what it is all

about and what are the details of the bill. They were rather shocked.

The minister did not clearly respond to our concerns. Specific letters were given to us that were alleged to have been support for Bill C–61. That was not true. They were not letters of support for Bill C–61. They were letters written before the Liberal government was even elected to the House of Commons.

The information we were given was wrong. If that is any indication of how the department of agriculture runs or any reflection on the capabilities of the minister of agriculture and his parliamentary secretary, those of us who are farmers certainly have a great deal to be concerned about.

As I have already mentioned, the Reform Party endorses the AMP system, but we want to know if the department of agriculture consulted the industry associations one time and then did whatever it pleased, or if it actually took the time to address some of the industry's concerns. The industry had some concerns that it put forward in letters that were not letters of support for Bill C–61 but were letters that said they supported an AMP concept.

Only after we raised a stink in the House did the minister's office call industry associations for approval. As the minister readily admitted in his speech, he had to go back and contact the organizations. I think we hit a raw nerve or created a bit of a stir. We actually followed up the leads and caused some problems for the minister because he had not done his homework and he did not know what was going on.

In talking to some industry associations about Bill C–61 there was substantial concern regarding its implementation. Associations, producers and processors want assurances the system will be applied fairly, uniformly and consistently across all programs and regions.

When department of agriculture officials appeared before the committee they repeatedly made reference to the importance of a safe food supply for Canadians and the impact the AMP system would have in ensuring that it was possible.

While some of the violations will undoubtedly touch the issue of food safety, many of the other violations will be of a technical variety. For example, the printing on a label may be a centimetre too small or there may be problems importing a certain type of herbicide that has been used in the United States for a number of years without complications.

One of the national industry agencies we consulted had reservations about the application of penalties due to technical violations of regulations such as the examples listed above. There were concerns and these organizations felt their concerns had not been properly addressed by the minister.

It would be good if the minister would clarify the situation and give us proof of recent communications with these organizations. He should give us some letters dated 1995, not 1992 or 1993.

On March 23 and March 30, 1995 meetings of the committee raised some serious concerns for members on this side of the House as well as on the other side. At that time I was not part of the agriculture committee but I have had the opportunity to review the minutes from the proceedings in question. One of the main concerns raised by committee members was the issue of due diligence.

• (1715)

Under the original legislation as it appeared before the committee the clause in question, clause 18, read as follows:

> A person named in a notice of a violation does not have a defence by reason that the person
>
> (a) exercised due diligence to prevent the violation; or
>
> (b) reasonably and honestly believed in the existence of facts that, if true, would exonerate the person.

This clause explicitly left out due diligence as a defence for individuals served a notice of violation. This provoked questions delving into whether the system of AMP should operate on a strict liability regime or an absolute liability regime. Strict liability means it has to be proven someone committed the violation with intent. Absolute liability does not consider the intent with which the person committed the violation and therefore does not allow for defence under due diligence.

Mr. Mazowita, director of legislation and compliance for Transport Canada, who appeared as a witness before the committee, commented on this question with respect to the aviation environment:

> In the aviation environment we find it appropriate to provide for the defence of due diligence—there can be all kinds of circumstances in which a pilot or a commercial operator or manufacturer has done everything reasonable that a pilot or air carrier manufacturer could be expected to do, and in our program we don't believe it is necessary to punish individuals or companies who act in good faith in such a manner.

The question was then raised of why would a defence of due diligence be workable under the Aeronautics Act but not under the agriculture administrative penalty?

This is not the first time concerns about due diligence were raised. In a memorandum dated February 16, 1995 from the general counsel to the Standing Joint Committee for the Scrutiny of Regulations, these concerns were outlined. Edgar H. Schmidt, in a memo quoted the following principle which was made by the Supreme Court of Canada in the case of Reference re Section 94(2) of the Motor Vehicle Act. It stated:

> It has from time immemorial been part of our system of laws that the innocent not be punished. This principle has long been recognized as an essential element of a system for the administration of justice which is founded upon a belief in the dignity and worth of the human person and on the rule of law.
>
> In my view it is because absolute liability offends the principles of fundamental justice that this Court created presumptions against legislatures having intended to enact offences of a regulatory nature falling within that category.
>
> Indeed, as I said, in penal law, absolute liability always offends the principles of fundamental justice irrespective of the nature of the offence.

Mr. Schmidt, in commenting further on the question of absolute liability, said the following:

> Since the advent of the Charter, certain principles take precedence even over the enactment of the legislatures. With respect to offences of absolute liability, the Supreme Court of Canada has held that section 7 of the Charter—

—which says that everyone has the right to life, liberty, the security of the person and the right not to be deprived thereof, except in accordance with the principles of fundamental justice—

> —prohibits the creation of absolute liability offences that may be punished by imprisonment. In essence the Court held that while all absolute liability offences offend the principles of fundamental justice, only when such offences interfere with the right to life, liberty or security of the person do they offend section 7 of the Charter. Since the violations contemplated by Bill C–61 cannot result in imprisonment, it is not likely that they offend the particular interests protected by section 7. However, that does not change the fact that in making violations matters of absolute liability, the bill offends the principles of fundamental justice.

Clause 18(a) of Bill C–61 effectively places violations in that category which the Supreme Court of Canada characterized as absolute liability offences. It is worth noting that violations under the bill would for the most part be a contravention of the act or regulations that would also constitute either summary conviction offences or indictable offences.

The effect of the bill is to permit the minister to transform any of the matters which are presently solely strict liability offences into matters which are also absolute liability violations by simply designating them under clause 4 of the bill. These are not my observations, but the observations of Mr. Schmidt who certainly knows what he is talking about.

• (1720)

The office of the minister of agriculture responded to Mr. Schmidt's concerns by suggesting that an absolute liability standard was "to ensure high standards of care for regulatees, in light of the risk that non–compliance may have on human health and safety".

The Reform Party is also in favour of ensuring high standards and protecting human health. If there are concerns that human health is at risk, I would classify that as an offence. If an individual is to be charged with an offence, that person would have the option of using the defence of due diligence, a right that is not available to individuals served a notice of violation. If someone commits a very serious offence, there is the right of due diligence as a defence. If a lesser violation is committed under Bill C–61 there is no right of due diligence as a tool of defence.

I should make it clear that not all violations under agriculture and agri–food acts can be classified even as a threat to human health and safety. The Liberals and the department of agriculture have repeatedly said that absolute liability is the only way this system can work properly. I am sure the government across the floor is saying that there are provisions within the legislation to take account of the intent of the individual served the notice of violation.

In committee a week and a half ago we raised the point with regard to this issue. Both Mr. Phil Amudsen, director general of mid–west region food production and inspection branch and Mr. Reg Gatenby, chief, legislation, food production and inspection branch addressed the point rather haphazardly. I quote Mr. Amudsen:

> In the penalty matrix, intent is part of the evaluation of what the penalty will be—.So it is part of the penalty process, but it is not a defence for getting out of the whole violation.

For example, in the penalty matrix, intention falls under the gravity of misconduct and there are four levels of intention. The first level says: "Unknowingly or inadvertently committed a violation or voluntarily disclosed and took steps to prevent reoccurrence". There are zero points charged for this category.

The second category is: "Degree of negligence (assess degree of control in place of precautions, feasibility, knowledge of hazards, degree of expertise)". For this type of violation three points are docked.

The third category is: "Intention unknown". It is a violation resulting from negligence and is docked three points for that category.

The fourth and final category is: "Knowingly committed a violation", for which five points are received.

A penalty matrix including intent is not a defence under due diligence. For example, an individual who exercised due diligence, depending on the gravity of the misconduct, will pay slightly less than the individual who knowingly committed a violation. This is not a fair system. There should be some sort of recourse for individuals to take that exercise due diligence. I am in favour of coming down hard on those individuals that intentionally and knowingly committed a violation, but we should be more lenient with those individuals who have exercised due diligence.

I will give an example. Under the Pest Control Products Act it states that farmers are to compensate for drift when they spray herbicides or pesticides. Every farmer knows that when the wind comes up they have very little control over the spray. Wind velocities and directions change in a matter of seconds. Under this legislation farmers could be charged even if they exercised due diligence in spraying. Later I will discuss a motion that we put forward regarding due diligence at report stage.

I also want to talk briefly about the time line of Bill C–61. When committee members reviewed the bill during the early part of this year, there were some serious concerns. I have only in the past few minutes addressed one of the many concerns that all parties had with the bill.

After April 24, 1995 this bill went into hiding. Why did the legislation go into hiding for over half a year? Were the Liberals waiting for the smoke to blow over? The committee had some serious concerns with the legislation. They put forward a number of amendments in committee that were to be considered. Instead, when the committee resumed this fall with a number of new members on the committee, the amendments were from the department of agriculture. Although the department adopted a couple of what I would call token amendments, the major concerns were not addressed adequately, including an amendment dealing with due diligence.

What is the purpose of the committees if any well thought out amendments are tossed to the side in favour of departmental amendments only?

• (1725)

The red book on page 22 states: "In the House of Commons a Liberal government will give MPs a greater role in drafting legislation through House of Commons committees". That is what it said but it is certainly not what it is doing.

Last week when Bill C–61 was at report stage, the Liberals accepted three amendments from the Reform Party. We brought amendments forward at report stage simply because we knew there was no way these amendments would have passed through committee.

It was quite funny to watch the clause by clause debate at committee a couple of weeks ago. A number of new members appeared at the committee. They were imported especially for clause by clause study. The meeting was set up for a Monday evening, which is very strange for clause by clause. Actually only a couple of committee members really knew what was in the bill. One of them, to his credit, was the member for Malpeque on Prince Edward Island and the other was the parliamentary secretary, the one who had given us the information that turned out to be incorrect.

However, the rest of them were simply voting machines. In fact, the member for Dauphin—Swan River had the list of amendments from the department of agriculture that it had approved and at the appropriate time she would insert a duly approved amendment from the department. It was obvious that any other amendments that would have been put forward would have been summarily dismissed without due consideration.

That does not speak very well for the committee process in this House. It tells us the attitude of the Liberal government. It tells us that committee work for the most part is a baby–sitting service for Liberal backbenchers and not a place to deal with meaningful legislation.

Although the amendments that were accepted at report stage provided some well–needed clarification to the legislation, the government failed to accept the amendments that would not only make the AMP system better but more palatable to the industry, producers and those responsible for enforcement.

The Liberals, and in particular the member for Regina—Wascana, the minister of agriculture, patted themselves on the back suggesting they had exhibited a spirit of co–operation in accepting three Reform amendments. This government constructs the facade of democracy but inevitably disregards the constructive aspects of the consultative process.

I would now like to address the amendments I put forward at report stage. As I just mentioned, the Liberal government is unwilling to consider amendments that would have had a substantive bearing on the implementation of the act. The amendments were an attempt to quantify and qualify the powers of the minister, the powers of the tribunal to which the violators can appeal and to clarify certain parts of the acts and the rights and responsibilities of both the violator and the minister in enforcing and administering the monetary penalties and forming compliance agreements.

The first amendment that the Reform Party put forward at report stage under Motion No. 1 was to set out some guidelines with regard to the minister's powers. As it now stands, there is nothing in the legislation that determines the differences between violations which the AMP system addresses and an offence which the judicial system addresses.

This amendment would have required the minister to put forward some criteria. In committee, witnesses from the department of agriculture suggested that an extremely serious violation would be considered an offence and prosecution would fall under the court or justice system, whereas a very serious offence would fall under the AMP system.

The question I would like to ask is at what point does a violation cross the threshold and become an offence? There should be some sort of consistency across the board. To arbitrarily determine on the basis of each case whether the

infraction is a violation or an offence is not fair and not reasonable.

Individuals and companies should be given a clear indication what procedure the department is following in the implementation of the AMP system. It is a disappointment when members opposite disregard an amendment that would provide greater clarification.

The way the act now reads the minister can use his power to prevent his friends from receiving the justice they deserve while throwing the book at political opponents. He can also go soft on violations in his own riding but be overly aggressive on alleged violations from an NDP or Reform riding. This can digress to the politics played at lower levels in the administration. There are no checks and balances, no criteria and no parameters to restrict this type of biased administration of the AMP system.

The second amendment put forward by the Reform Party under Motion No. 3 set out to lower the fines by half for first time violations with subsequent violations being subject to the original fines set out in the legislation.

While the hon. member for Malpeque suggested at report stage that the Reform Party, in dealing with the violations of law or quasi–law, wants to go all out and go for the jugular, I would beg to differ.

• (1730)

The Reform Party believes that some leniency should be shown to small business producers and processors for first time violations. Most of the violations that fall under the agriculture and agri–food act do not require that substantial fines be levied. Remember, we are not talking about serious indictable offences. We are talking about a small business, a producer or a processor. Given the economic situation they face today, they could easily be put out of business with the levels of fines proposed under the legislation.

If the parties offend for the second time it is then that we throw the book at them. It is only reasonable that this amendment should have been given consideration.

It is ironic that when we deal with violent offenders, serious criminals, the members on the Liberal side are so compassionate. They want to be so careful and protect the rights of those people, some of them vicious and malicious and repeat offenders. When it comes to small business, when it comes to people who make their living in agriculture or the processing industry, the Liberals want to be so strict. They want to come down with harsh monetary penalties, even on a first offence, and not even allow those people the right of due diligence in offering a defence.

You wonder about the priorities of this government. Sometimes it just makes you sick.

The third amendment we proposed at report stage, under Motion No. 4, was another one of common sense. It set out to identify the designated person serving notice of the violation. As I stated last Thursday, this is a common procedure that is useful, valuable, and will also protect the person who is alleged to have made the violation. I want to stress once again that this amendment was a common sense one and I thought the Liberals had enough common sense. Unfortunately, they did not even have that minute amount to accept the amendment we proposed.

The fourth amendment we put forward, under Motion No. 5, was to improve the legislation by giving the person served the notice of violation at least 45 days to pay or ask for a review by the minister or the tribunal. The legislation outlines that the minister can prescribe any regulations in the act that require prescribing, in other words, a blank cheque. The minister can do whatever he wants.

I believe that some of these regulations can be put within the act. The Liberal members keep repeating that including time frames in the legislation is impractical because it is very difficult to make future changes. The amendment put forth requires only a minimum time period to pay or ask for a review by the minister. The intent is to prevent the minister from arbitrarily and unreasonably setting the time period in which the individual served notice of violation has to pay.

This and similar amendments are necessary parameters to allow for industry confidence in the AMP system.

The minister under this act in two days can say either pay or ask for a review by the department or by the tribunal. Two days is unreasonable. There are no parameters. It is just a wide open field. It is hunting season year round in Bill C–61.

The fifth amendment that we proposed was put forward under Motion No. 11, setting out to prevent the minister from taking security above and beyond the gravity of the violation. This amendment provides clarification as to what is reasonable security. It parallels the acceptance of the Reform amendment to clause 10 which reads: "include a provision for the giving of reasonable security"—and that was an amendment accepted by the minister—"in a form and in an amount satisfactory to the minister as a guarantee that the person will comply with the compliance agreement".

This amendment is an incentive for the individual to comply with the agreement while at the same time it prevents abuse of the system by the minister.

I would also like to comment on the sixth amendment we proposed. This amendment would have required the review tribunal to complete the review within six months of receiving the person's request for a review. This would have prevented reviews from taking longer than six months to complete. For the sake of expediency of the review process we put forward this amendment.

As I stated at report stage, cases could drag on for quite some time. This is certainly not fair to the accused, to the individual who is waiting for a review of his or her case. Most of all it is not fair to taxpayers to bear the cost of an ongoing review that could never end because there is no restriction as to how long it can continue.

All individuals who are affected by this legislation want a system that is expedient and cost effective. It is in the best interests of this House to make legislation that way and it disappoints me when the government refuses to accept constructive amendments.

The seventh amendment, proposed under Motion No. 19, was the most important amendment we put forward. This amendment sought to allow for the defence under due diligence and an individual should be exonerated if the person reasonably and honestly believed in the existence of fact that if true would exonerate the person.

• (1735)

I talked about this earlier in my speech and it was raised in committee. If our amendment had been accepted by the government, the concerns raised in committee by the general counsel and by industry officials would have been put to bed. However, they are still out there. Excluding due diligence from this legislation makes the bill flawed and not supportable for me and my colleagues. This is one of the main reasons we cannot accept Bill C–61.

The final amendment I will mention was Motion No. 23, which was proposed in the House at report stage. It deals with conflict of interest and appointments of the review tribunal. That amendment went one step further than the conflict of interest clause in stipulating that no government lobbyist or a person who has contracts with the federal government may be appointed to the tribunal.

When the governing party was the official opposition, when the Liberals sat over on this side of the House, there was an outcry from Liberal members almost on a daily basis about the Tory appointments to boards and tribunals. Guess what? Now that the Liberals have moved from this side to that side of the House, the Tory status quo seems to be okay.

We have been going through a time of crisis in our country with the threat of Quebec separation. It is time to start putting solutions on the table. One of the solutions to our problems, which is gaining some momentum and acceptance right across the country, is to move toward a more decentralized government.

One of the ways this federal government could put its money where its mouth is would be by not becoming so involved in appointments of every position it could possibly control from within the privy council. This government has not chosen to do that. It has chosen to have a hands on approach to every appointment on every board and quasi–judicial whatever.

That is offensive to Canadians right across the country. It has created incompetence. It could have a great negative impact upon the carrying out of administrative monetary penalties. It could have been corrected in this bill if strict conflict of interest guidelines had been placed in it. However, the Liberals chose the status quo. They chose to have their hand in the bag handing out the goodies to their friends. They wanted that option. They refused to shut the door on patronage and on being directly involved with patronage appointments.

We want this legislation to be clear and concise with regard to appointment practices. Convoluted legislation opens the door to abuses and downright confusion, as with the Income Tax Act. The Income Tax Act has become so complicated it has become a vehicle for loopholes, abuse and tax avoidance. The more government tinkers with it, the worse it seems to get.

That is why the member for Calgary Centre, the member for Capilano—Howe Sound and other of my colleagues are pushing this country to accept the flat tax. They are talking with Canadians from coast to coast about tax reform that will take away the confusion, take away the complexity and reduce the cost and the bureaucratic red tape. That is the way the department of agriculture should be moving as well.

If we could clean out some of the garbage in the bureaucracy and clean out the hands on approach to appointments, we would simplify the administration of monetary penalties, just as we would clean up the Income Tax Act if we implemented the flat tax.

The last two amendments I would like to speak about come from the less than loyal official opposition. It may seem strange, but it is true that we supported amendments put forward by the hon. member for Lotbinière. We were considering the same amendments, but the hon. member was able to table his amendments prior to ours.

One amendment requires that any governor in council appointment to the review tribunal be approved by the agriculture committee. The Reform Party fully supports this type of process. In fact the Liberal government supported it as well. The government supported it on paper. The Liberals supported it before the election. On page 92 of "Creating Opportunity: The Liberal Plan for Canada" it was stated: "We will establish mechanisms to permit parliamentary review of some senior order in council appointments".

Where are they? Where are those reviews? Where are the parliamentary committees involved in reviewing these appointments? We were told that the minister and the privy council had appointed somebody to be the chair of the CBC. It never came before the House of Commons. We turned on the news and found out that Perrin Beatty, former Tory MP, former member of the previous government that helped run up a debt of some $500 billion, was the president of the CBC. There was no input from us.

• (1740)

This piece of legislation allows for the formation of a tribunal, with no input from parliamentarians. We are sidelined. We are spectators. We are not participants in pulling the levers of government. We are just supposed to sit back and watch the action. If one is on the government side one has to politely applaud. If one is on the opposition side, the Liberal strategy is to ignore and barge on and hope they can buy the next election. Of course we know the dollars are gone and they cannot buy things any more. The chickens will come home to roost, just as they did for the Tories.

The Liberals are going to have big problems ahead justifying all these order in council appointments with no review whatsoever outside of the privy council, outside of the ministers and their deputy ministers.

I would like to ask the members opposite if anything has been accomplished lately with respect to parliamentary reviews of appointments. I would suggest that having the agriculture committee approve any appointments to the review tribunal would have been an excellent starting point.

I want to conclude by making one last point. The intent of the AMP system was not only to ensure compliance but to have a program that was consistent with those of the United States. It does not do much good if there is a harmonized AMP system with the U.S. while having two countries that lack harmonization or equivalency in requirements.

It is time for this government to pursue harmonization standards with countries it trades with. A number of farmers and biotech companies are expressing discontent with this government for disallowing or slowing the registration process for certain seed varieties or for certain herbicides.

One biotech company came to me and suggested that it was thinking of pulling out of Canada and taking the jobs it provided in Canada back to the United States if there were no changes forthcoming in the current process.

Millions upon millions of dollars are at stake here, not to mention the employment opportunities. If Canada is not willing to co–operate, companies will set up shop where the environment is more friendly.

The department of agriculture should have good reason when it refuses to authorize the use of a product or harmonize regulations with any of our major trading partners. At the present time it is extremely slow. It is bogged down and does not seem to come up with the goods very often.

In conclusion, as I already stated, incorporating the amendments put forward by the Reform Party in this piece of legislation would have made the bill better for all stakeholders. The Reform Party believes that an AMP system could be an effective way to increase compliance and be a much fairer way of addressing non–compliance than through the prosecution route. However, without the changes the Reform Party proposed we cannot support this legislation.

We are being heckled on the other side.

Some hon. members: No, no, no.

Mr. Hermanson: They are saying: "No, no, no. We do not want your reasonable approach; we do not want to be accountable". They are saying they just want to be left alone to go on their merry way and try to keep as much information from the public as possible.

I want to assure this House that we on this side will not let that happen. That is why we are exposing the flaws of Bill C–61. That is why we cannot support Bill C–61. It is time to start building a country that is ready to operate in the 21st century. This bill could have helped us do that, but it did not finish the job. I would ask that in future when members opposite start drafting legislation that they think a little more clearly than they did when they drew up Bill C–61.

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Madam Speaker, I was not going to rise on debate until I heard the hon. member from the Reform Party talk about Bill C–61 and try to suggest that somehow colleagues on this side of the House, because they are governing members, decided to finally pass this legislation after almost a year.

I know the hon. member came onto the standing committee on agriculture a little late. I still do not remember his taking part in any of the committee meetings dealing with Bill C–61, even though he was on that committee. The hon. member should know—and if he does not know he could talk to his colleagues who would tell him—that when the bill came in it was thoroughly debated by the Standing Committee on Agriculture and Agri–Food. Committee members from the government side were the ones who put forward problems they had with the bill. The bill is a good example of how the committee system around this place has worked. It goes to show how government backbench members on a committee can have some sort of say and input into the legislation.

• (1745)

When the bill came forward to the Standing Committee on Agriculture and Agri–Food government members on the committee had many concerns. We had concerns with the bill and we informed the minister of those concerns. We outlined to the minister a number of different amendments that we wanted to the bill before we were prepared to proceed with it.

The minister, in his wisdom, took that back to his departmental officials. If we go through Bill C–61 we see a number of amendments proposed by government members, not opposition members who chose not to show up for most of the meetings. Paragraph 4(1)(d) states:

> respecting the circumstances under which, the criteria by which and the manner in which a penalty may be increased or reduced, including the reduction of a penalty pursuant to a compliance agreement—

That was not in there before. Government members felt it was important enough to put in there. Subclause 4(3) states:

> Without restricting the generality of paragraph (1)(d), in making regulations—

Again it talks about the degree of intention or negligence on the part of the person. That was put in there by government members on that committee.

Clause 7 deals with the issuance of a notice of violation and states that there have to be reasonable grounds to believe. That was not in there before. Government backbenchers felt it was important. We went through the legislation for months and months and months, and the Reform Party was not there to help us.

The hon. member also has the audacity to say that the government would not even look at reasonable amendments. The Reform Party's Motion No. 20 to clarify the burden of proof is the hon. member's amendment. Motion No. 28 to clarify expenses is the hon. member's amendment. Motion No. 10 is to provide assurance that a security requested by the minister in respect of compliance be reasonable. He uses the word reasonable, but the government accepted opposition amendments on this point. We have gone a long way in trying to allay the fears of members on the other side that we were not listening to their concerns on the issue.

The hon. member talks about orders in council and Standing Order 110 which he should read. It states that committees have a right to review orders in council. It is a very important right for individual members of Parliament who can review orders in council. All of us in our role of checking the executive should have the power to review. The hon. member knows that.

In terms of the legislation I had concerns, as I said. However I sat down as a chairman of a committee with the minister and with the department. They went further than I expected them to go in terms of putting forward proposals to alleviate some of my concerns and the concerns of members on the committee and members outside the committee in terms of the House committee on procedure.

We sat down with government officials at a number of different meetings and came forward with amendments that we thought were reasonable. I thank the minister of agriculture for accepting the amendments. It goes to show how well this place can work when all hon. members work together.

• (1750)

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Madam Speaker, it is always interesting to hear the Liberals get excited and give us some recognition.

As I pointed out a number of months ago, I used to have a red combine. It was the colour of the Liberal Party and it always seemed to give me grief. That seems to be the way the Liberal government is going with its bills. It seems as if its red combine has run out of cash and it has found another bill to get some extra cash. The combine might be beyond repair so I do not know how the cash will do it by itself. The Liberals do not have much to trade off. I do not think the money raised through the bill will buy them another election.

It seems queer to me. I have been trying to get the Liberal government to put some teeth into some of the investigative powers of the grain commission and the wheat board. When farmers complained that somehow one of the organizations had dumped 1.5 million bushels into the U.S. at half price, that there was an anti–dumping violation, it seemed strange the minister of agriculture would not even respond. That is Liberal justice.

The bill worries me. The Liberals want to increase fines from roughly $1,000 to $250,000. As far as I am concerned that is designed for big multinationals or some of the bigger corporations because they can negotiate and persuade the government to say that they will draw a lot of votes in the next election and it better go easy on them or it could backfire. That is not the type of justice we need.

It is important to start realizing that small players need some protection. Due diligence is not included. There is no recourse but to pay the fine or negotiate. If people have any money left over they might be able to go to the courts, but that is usually not the way small players work.

It is interesting to note the bill is designed so that the minister has the power over eight acts and not just one. I remind the House that when I started the investigation into the irregularities and illegalities of some of the acts the first thing I looked at was the smuggling of Grandin wheat into Canada. Snowflake is well known for that trade. If it does not happen to be wheat, it can be done with alcohol or cigarettes and it seems to be very successful.

When I insisted that an investigation be done on the smuggling of Grandin wheat, it was interesting to see that customs officers were willing to testify, willing to come before the courts. However for some reason the agriculture department claimed no wrong was being done. Suddenly I hear the government is very interested in protecting the quality of wheat and the quality of our meat through monetary funds. The court system could not prevail because it was told simply, more or less, to take a side glance and not prosecute.

I will read a statement I received through an information officer on the issue:

> In 1993 when the issue became public through an article in the newspaper, at the same time agriculture made a statement that Canada Customs erred in not stopping the wheat from entering Canada. As a result, Canada Customs no longer allows the importation of wheat into Canada.

There was proof that it was smuggled and the government allowed Agriculture and Agri–Food Canada to avoid the law.

• (1755)

How will the AMP system fix that problem? All it will do is put more money into a cash strapped Liberal government when its red combine is dilapidated and ready to fall apart. The Liberals are trying to get more funds to buy another election. I do not think it will work. To do that they should probably make it legal to smuggle liquor too, because there is more money in that than there is in Grandin wheat. Why avoid the small funds? They should go for the big cash because they will need a good combine to win the next election. I do not think it will be done with the faded old red machine I saw in the last election.

The big problem with the AMP system is that it will not deter any of the violations or minor infractions. The big players will use Bill C–61. They do not really care about the money they pay because they usually make more by violating or trespassing the law.

When the last *Farm and Country* paper came into my office I was very interested in watching what was going on as far as chemical harmonization with the United States was concerned. It is amazing that $10 million worth of chemicals are being smuggled illegally into Canada to be used by farmers. What did the Liberals do about it? The parliamentary secretary said that they just did not have the manpower to stop it. If they do not have the manpower to stop this type of violation, how do they think the AMP system will stop it?

They tried to stop the smuggling of cigarettes by opening the borders 24 hours a day. The customs officers were there lighting candles and making sure the roads were clear. I have news for them. At least in the Snowflake area these violators do not usually use customs offices. They usually find a little road through the bush. That is where they seem to do their best business. How will the AMP system provide protection against those fellows? I do not know how we will enforce it.

When we have a bill like this one which tries more or less to make monetary funds do the trick instead of the justice system, usually it backfires. That is why I am leery of the bill. It will take some pressure off the courts, but it will probably increase the violations and the violators who are able to afford it will become richer instead of poorer.

I will not continue too long on the subject. My colleague from Kindersley—Lloydminster touched on pretty well everything. We need a justice system that is equal for all, a justice system that imposes a certain fine for a certain violation or infraction.

The Bloc member pointed out very vividly that there is a set price for a speeding ticket for going 20 miles an hour over the limit. That is the way the program should work. There should be some guidelines that stipulate the fines to be paid by violators and they should be enforced.

Maybe someday there will be a different combine. Maybe when we get green machinery on the other side we will also have violations and infractions decrease because we will have a system of legal authority that will look after violators and transgressors in a fair and equitable way and the little guy will be protected the same way as the others.

• (1800)

Madam Speaker, I appreciate these few minutes and I hope that some of the amendments that Reform has proposed will be supported.

An hon. member: It is too late.

Mr. Robichaud: It is too late for amendments now.

Mr. Silye: He has been doing some good field work.

Mr. Hoeppner: It is too late for that. I was under the impression that we should do a little bit of ploughing before we start harvesting because the crop would be better.

The Liberals do not realize that we have to put in a crop before we can harvest it. They like to pluck the plums from the tree after they are ripe. We will continue to allow them to do that and hope that maybe in the next election we can change things around.

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.

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.

And the bells having rung:

Mr. Boudria: Madam Speaker, it is requested that the vote on the motion be deferred until tomorrow at 10 a.m.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(5)(a), a division on the question now before the House stands deferred until tomorrow at 10 a.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*Translation*]

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

The House resumed from June 19, consideration of the motion that Bill C–88, an act to implement the agreement on internal trade, be read the second time and referred to a committee.

Mr. René Laurin (Joliette, BQ): Madam Speaker, Bill C–88 deals with internal trade in Canada. The bill frequently refers to the Agreement on Internal Trade, which includes several hundreds, and even thousands of articles. Since Bill C–88 expressly refers to the agreement, it makes sense to give an overview of the bill and of the agreement itself.

The agreement includes six major parts: a general section on the major application principles; a section reaffirming constitutional rights; a section dealing with the definition of rules and general obligations; a section on the specific rules for the eleven sectors affected by the agreement; a section dealing with dispute settlement procedures; and, lastly, a section on exceptions.

The agreement is based on three general principles. The first one provides for similar treatment of persons, goods and services, regardless of their origin in Canada. The second principle concerns the harmonization of standards and regulations, so as to eliminate certain practices which could impede internal trade in our country. The third general principle provides that we must ensure the free movement of persons, goods and capital.

• (1805)

The articles of the agreement to which Bill C–88 refers are essentially those relating to the dispute settlement process. Articles 1601, 1602, 1603 and 1604 deal with the establishment, mandate and membership of the committee on internal trade and its secretariat. The committee must, among other things, supervise the implementation of the agreement and facilitate the settlement of disputes.

Article 1705 is of particular interest. It concerns the appointment of a panel when disputes arise. The parties to a dispute may, after a period of mediation and conciliation, ask that a panel be established. This five member panel must rule on the validity of the dispute and on the retaliation measures the aggrieved party is entitled to take. This article defines the phrase "one of the parties". According to the agreement, "a party" is a province or territory, or the federal government itself. The parties may act on behalf of natural or artificial persons, provided there is a direct and substantial link with them.

In the case of the provinces, it is said that a link exists with a person if this person resides in the province and if the losses suffered have economic consequences for the province. In the case of the federal government, a link is supposed to exist with a person if this person is federally incorporated or if it does business in an area of activity under federal jurisdiction. In this regard, we feel that the bill is very, even excessively, generous because, as we know, the federal government has a tendency to get involved in all areas of activity, and even to encroach on areas of provincial jurisdiction.

Since, in this case, the federal government may be regarded as one of the parties and may even represent a person doing business in an area of activity under federal jurisdiction, we must proceed with caution. Otherwise, the federal government could become involved in all spheres of society, according to the proposed definition of its own role.

It must be clearly understood that the decisions of the special group are not binding, of course, but it does determine whether the measures in dispute are indeed contrary to the wording of the agreement and if they have caused prejudice.

In addition, the Committee must make recommendations to facilitate settlement of the dispute. And if the party concerned by the complaint does not comply with the recommendations of the special group, then Article 1710 applies, which sets out the sanctions which may be imposed upon the party affected by the complaint.

But the true scope of the bill is as follows: the primary objective of the bill is to implement the Agreement on Internal Trade. The Bloc has always been in favour of the liberalization of trade. The proof of this is that the Bloc and all other Quebec politicians, in particular, the members of the Parti Québécois, had defended NAFTA. However, even if we agree in principle and support the principle behind this bill, we cannot accept the wording of clause 9 which permits a far broader interpretation, which might allow the government in Ottawa to intervene and impose retaliatory measures even when not a party to the dispute.

• (1810)

The federal government could interfere because it is said that each time a third party has some connection with the federal government or with an activity under federal jurisdiction—and as I was just saying, we are familiar with the federal propensity to horn in in all areas—then the federal level could be all–pervasive. This clause is far too broad for us to support.

According to the terms of the agreement, still in reference to this clause, the federal government shall equip itself with the possibility of imposing retaliatory measures where it might be the injured party. The wording of clause 9 of the bill, however, leads us to voice two serious objections.

The first is to the text, which reads in the first sentence of clause 9 as follows:

> For the purpose of suspending benefits, or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following—

So here clause 9 of the bill allows the Governor in Council to "suspend rights and privileges granted to the province, modify or suspend the application of any federal law with respect to the province, extend the application of any federal law to the province or take any other measure that the Governor in Council considers necessary".

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member, who will have 11 minutes remaining when we resume debate on this bill.

It now being 6.13 p.m., the House will proceed to the consideration of Private Members' Business as listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

INTERVENOR FUNDING ACT

Mr. John Finlay (Oxford, Lib.) moved that Bill C–339, an act to provide for funding for intervenors in hearings before certain boards and agencies, be read the second time and referred to a committee.

He said: Madam Speaker, I am honoured to stand here today and speak in support of my private member's bill, C–339, an act to provide for funding for intervenors in hearings before certain boards and agencies.

Intervenor funding, also known as participant funding in the Canadian Environmental Assessment Act, seeks to fund those who speak in the public interest at hearings held before government agencies or appointed boards.

As politicians we often wax eloquent about the need to consult our constituents. We encourage citizens to stand up and be counted to make sure their voices are heard. I ask this House as I have asked myself: What have we done to make sure Canadians are heard by their legislators and by those who govern them?

As the Minister of the Environment said during debate on the Canadian Environmental Assessment Act, it is one thing to say that people have a say, it is another thing to give them the tools to exercise their right. I believe the bill before us today will give the average citizen, regardless of his or her financial assets, the tools needed for them to be heard in the decision–making process.

Intervenor funding has been known to me for years because of my interest in conservation and the environment. However, it became particularly relevant after a number of my constituents who are members of the Ontario Pipeline Landowners Association, the OPLA, told me of their difficulties in wanting to appear before the National Energy Board.

These landowners were faced with the prospect of having to raise a large amount of money in order to hire experts to oppose a change in the lease agreement of the pipeline crossing their land. Faced with evidence that the pipeline could contaminate the soil, could pose a safety risk, and could saddle them with clean–up costs if the line were ever abandoned, they wanted to make sure the NEB heard their concerns.

To make a convincing case, the landowners needed the assistance of lawyers and experts to appear as witnesses on their behalf before the National Energy Board. Such qualified professionals must be paid. The executives of the OPLA appeared on their own time, but they had to mortgage their future returns to pay the lawyers and engineers who appeared on their behalf and on behalf of the other signatories to the leases.

What would have happened if they were not able to raise the money to make an adequate representation? The National Energy Board would have had to make a decision without the input of those who faced the most risk, in this case the landowners.

It is my contention that the Ontario Pipeline Landowners Association was speaking out in the public interest. If the pipeline posed an environmental or health risk it would be to the public as a whole, and they would be the ones who suffered.

In a recent article sent to me by Mr. Stuart O'Neil, president of the OPLA, a pipeline explosion is documented in the rural community near Williamstown, Ontario. Is it not in the public interest for these concerns to be heard by the National Energy Board?

As can be seen by looking at the National Energy Board's finding in this case, the Ontario Pipeline Landowners Association presented valid concerns. I have that finding here, and I would seek unanimous consent to table this document during the hours of this debate.

The Acting Speaker (Mrs. Maheu): Does the hon. member have unanimous consent to table the document?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Finlay: Intervenor funding will assure the public that those with a valid interest will be heard at future hearings. For many years the public has been saying that they want to have an input in government decision making. Intervenor funding guarantees their access.

I am not introducing a new concept to this Parliament. Intervenor funding was granted to environmental and native groups and municipal councils during the Mackenzie River pipeline inquiry, also known as the Berger commission, in the mid–1970s. Mr. Justice Thomas Berger determined that funding would be necessary to ensure that the many diverse interests would be represented at the hearings.

Justice Berger said in announcing the funding: "These groups are sometimes called public interest groups. They represent identifiable interests that should not be ignored. Indeed, it is essential that they should be considered. They do not represent the public interest, but it is in the public interest that they should be heard".

The Ontario government proclaimed the intervenor funding project act in 1989 as a three–year pilot project. This program has been extended through to the spring of 1996. In introducing this legislation to the Ontario legislature the then attorney general Ian Scott, who had served as counsel on the Berger commission, stated that a regularized system for intervenor funding is an essential component of an accessible justice system. My Bill C–339 is modelled after the Ontario act.

It is interesting that members of the Ontario Pipeline Landowners Association, who have discussed their situation with landowners who had appeared before the Ontario energy board, found that process to be fairer and more inclusive for both the landowner and the proponent. The success of this act in Ontario augurs well for the success of this legislation I am introducing today.

• (1820)

Further to experience with the Berger commission and the Ontario legislation, the federal government has had experience with intervenor funding through the CRTC and the Canadian Environmental Assessment Act, as well as the Krever inquiry into Canada's blood supply, which is currently funding a number of intervenors.

The federal Liberal Party made a very clear commitment in the red book to provide for intervenor funding within the Canadian Environmental Assessment Act. This commitment was honoured when Bill C–56 was passed last December. At that time the Minister of the Environment and Deputy Prime Minister, the Reform member for Comox—Alberni and the New Democratic member for The Battlefords—Meadow Lake spoke in favour of this type of funding. Today I seek the same consensus of all colleagues in this House to move this legislation forward so that it can be put before the Standing Committee on Natural Resources for further study.

I would like to share with the House a statement made by the member for The Battlefords—Meadow Lake during the debate on the Canadian Environmental Assessment Act: "Without adequate intervenor funding there cannot be adequate assessment, quite simply because those who wish to challenge the proponent do not have the same access to capital as the proponent does". In effect, what the hon. member is saying is that we have to level the playing field so that both the proponent and the intervenor have the same ability to put forward evidence that will allow the best decision to be made.

In 1992 the province of Ontario conducted a review of the intervenor funding project act. This review, entitled "Access and Impact: An Evaluation of the Intervenor Funding Project Act, 1988", states this on the need for intervenor funding: "Participation is necessary for reasons of fairness. It also makes for better decisions, as broader information, values, and opinions are canvassed by those required to make decisions in the public interest. But those purposes cannot be achieved if the resources of participants are severely limited in relation to the case they are required to meet".

There are those who feel that people who would like to intervene before federal boards and agencies should raise the funds themselves in order to make a representation. Some feel that even if the intervenor is clearly representing the public interest, they should pay all costs. Are we then to tell our constituents that only the wealthy have a right to be heard? We cannot tell Canadians to mortgage their homes and their futures in order to make a representation in the public interest.

Am I to say with a straight face that governments make the best decisions after hearing only from those wealthy enough to afford the best lawyers and technical experts? As the member of Parliament for all the people of Oxford, it is my duty to ensure that they have an opportunity to influence government decision making. This bill not only provides that opportunity, but also will result in better decisions being made.

At this point I would like to discuss a number of key sections of this bill. Clause 2 says that the purpose of the act is to require any person proposing a project that would affect the public interest or the environment and that is required by law to be reviewed by a public process before being approved by government or an agency of government to provide funding to assist organizations that represent a relevant public interest and that wish to intervene in the review process to represent that interest.

I have been asked why the proponent should fund the intervenor. The Ontario government review, "Access and Impact", states that more effective monitoring of the costs and benefits of the process will be achieved if those who are the focus of these

decisions, the proponents, are made to bear the cost. It is they who are the centrepiece of the regulated activity.

• (1825)

It should be noted that paragraph 4(3)(f) in my bill calls upon a funding panel to consider any representation the funding proponents make concerning the application of an intervenor. This paragraph allows the proponent to make a presentation about the public interest the intervenor purports to represent and about the proponent's own ability to fund the intervention.

In drafting the funding criteria for intervenors, I have used the criteria set out in the Ontario legislation. The Ontario legislation was in turn developed using the criteria set forth by Justice Berger, which has been the model for intervenor funding at both the federal and provincial government levels.

The member for Comox—Alberni stated during third reading debate on the Canadian Environmental Assessment Act: "Guidelines for participation should consider whether the applicant represents a clearly ascertainable interest that should be heard at the hearing and whether separate representation of the interest would assist the panel and contribute to the hearing". I believe that the funding criteria within Bill C–339 clearly live up to the standards my hon. colleague set out during the CEAA debate.

Subclause 4(4) of the bill states:

> A funding panel shall not order funding to be provided to an intervenor unless it is satisfied that the issues the intervenor intends to present are entirely or mainly issues respecting public interests rather than private interests and that
>
> (a) the intervenor represents a clearly ascertainable interest that is relevant to the issue before the review authority and that should be represented at the hearing;
>
> (b) the intervenor does not have sufficient financial resources to make the representation without funding;
>
> (c) the intervenor has made reasonable efforts to obtain funding from other sources;
>
> (d) the intervenor has an established record of concern for and commitment to the interest;
>
> (e) the intervenor has made reasonable efforts to cooperate with other intervenors that represent similar interests;
>
> (f) the absence of funding would adversely affect the representation of the interest; and
>
> (g) the intervenor has a proposal that specifies the use to which funding would be put, has the ability to record the expenditure of the funding, and has agreed to submit an accounting to the panel for the expenditure and allow the panel to examine its records to verify the accounting.

It should be stated that paragraph 4(5)(b) of the bill allows the project proponent to appeal a funding order to the review authority.

I strongly believe that the bill will improve the way government works and makes decisions. The Standing Committee on Natural Resources may feel that some amendments are in order. I and other witnesses who may be called would be happy to work with the committee to improve and then pass this important piece of legislation.

In conclusion, let me say that it is time to tell the people of Canada at this important time in our history that they can have a say and that this federal government believes that their interventions will improve the quality of decisions that must be made.

I ask all members of the House to support the bill and thus give all Canadians a means by which to participate responsibly in our future.

It was some 18 months ago that I stood at the last seat of the fourth row, the farthest I could get from the Chair, to give my maiden speech as a backbencher and as a member of the class of '93. One thing that concerned me the most when I came to Ottawa and to Parliament was how does the backbencher, the individual member of whatever party, influence government policy? How do we have some effect? How do we go back to our constituents and say we did this or we did that or we were able to modify, mediate, change, suggest something that became law because they told us that was what they wanted. I do not pretend to know all the answers. I do suggest and I do feel very proud to be able to present this bill today because it is one way in which the individual MP can influence government decision making.

• (1830)

I suggest to all hon. members that committee work is another way. I appreciate that work. It allows me to work with and learn from my colleagues on all sides of the House on important issues.

Bill C–339 is a votable item and I look forward to further debate.

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Madam Speaker, I would first like to say that I am pleased to participate in this second reading debate on Bill C–339 proposed by the hon. member for Oxford. I must congratulate him for his goodwill, for trying to enhance democracy here in Canada, so that some groups can give their opinion on environmental matters concerning natural resources.

This Bill C–339 is quite simple. It has virtually only two pages, if we take out the ones containing the terminology and the definitions used in the bill. It establishes the principle that the proponent of a project that requires review and approval under federal legislation, for example, Bill C–56, the Canadian Environmental Assessment Act, and that affects the public interest or the environment, should fund intervenors in public hearings on that project.

On the face of it, we could be in favour of the principle of funding groups who want to participate in public hearings, because often, groups that represent less advantaged people in our society do not have sufficient financial resources to pay for scientific studies, transportation, research studies or efforts needed to prove their good faith. I am thinking here of studies needed, for example, in my region, Abitibi, or in Northern Canada or the Arctic circle, where intervenors certainly do not have sufficient financial resources to pay for their travel and their stay when defending the interests of people they represent.

We have seen in the past citizens who were penalized in their rights because, unlike large businesses or developers, they did not have the financial resources to defend their view on a project. So we are in favour of the principle that proponents pay for administrative costs related to the reviews.

But after examining this bill more thoroughly, we realize that it has a much greater scope than it purports. There are a number of questions. First of all, whether this bill was drafted to complete the program that already exists at the Canadian Environmental Assessment Agency created under Bill C–56, an act to amend the Canadian Environmental Assessment Act.

It is clear that the government, by using the procedure suggested in Bill C–339, can save on the funding it now has to provide to groups that are interested in taking part in public environmental hearings. If that is the case, why not simply amend the legislation instead of drafting a whole new bill? It is difficult to determine which agencies will benefit under this program and how proponents will react. And besides, this bill would institutionalize duplication, because provincial governments often already have their own structures for evaluating the projects of proponents.

So why add to the duplication in procedures for analysing the impact of natural resource development on the environment? This bill would create one more commission that would propose further administrative constraints, in addition to the far too numerous existing ones which industry has criticized as jeopardizing project development and hence employment.

For instance, on October 18, when the mining industry, through its national organization, held its open house, one of its principal demands was that the government streamline the many unwieldy administrative structures restricting the development of this industry.

• (1835)

Bill C–339 would merely create one more administrative level instead of making intervenor funding the responsibility of a decision making level that already exists.

If we look at the two pages in the bill that provide a list of definitions, it is not quite clear what is meant by the term "public interest". In fact, a large number of frivolous interventions could be made claiming a "public interest", which would cause delay and add to the cost of studies or of the actual project for the proponent.

The bill would also assist intervenors with records of responsible public interest representation to put their arguments respecting the project before the approving authority. In this situation, doubt could be cast on the objectivity of the funding panel, which determines the groups to be funded by the proponent.

Clearly, in no case, should the fact of forcing the proponent to provide financial assistance threaten the feasibility of a project. However, it could happen that the proponent is the government itself. This is the case with the *Irving Whale*.

Thus the SVP group opposed to refloating the *Irving Whale*, as proposed by the government, receives no assurance from this bill of being considered an organization. The federal government does not want to recognize as an intervenor with a record of responsible representation, because the panel is appointed by the government itself.

A question arises: Who benefits from representing these public interest organizations? There is cause for concern that some may find personal interest in the process and will not hesitate to specialize in defending public interest organizations.

The question could arise, for example, during a study on the opening of a new mine, if the representative of a local group, with no expertise, but wishing to protect the environment, and having an opportunity to develop their region through new jobs, ran up against a group like Greenpeace, which could defeat the local group through its expertise and international reputation.

In clause (7)(*b*), contrary to what the bill proposes, funding should not be available to cover lawyers' services. The aim of public hearings is to help the government make a public, and not a legal, decision.

It has generally been observed that, when lawyers represent certain groups, the other witnesses are intimidated and refuse to express their viewpoints. The hearings then take on legal overtones. This opinion is what officials who are used to this sort of hearing have to say.

In clauses 3 and 4, the funding panel should also ensure that studies witnesses want funded have not already been undertaken. For example, the panels set up by the federal environmental assessment review office, if we refer to Bill C–56, which has this instrument already, have many scientific studies done, in addition to having witnesses testify at public hearings.

The witnesses must not be funded for doing the same studies as the panel. Bill C–339 contains no provision for such an eventuality.

In conclusion, we feel this bill has good ideas and that it is innovative, but it also contains a number of serious failings.

It should therefore be amended before submission to the Standing Committee on Natural Resources so that its objective of enabling intervenor groups to defend their points of view with funding may be possible.

Furthermore, given how open Bill C–339 is in its present form to encroachment on provincial jurisdictions, such as natural resources and the environment, we must vote against it in its present form.

[*English*]

Mr. Finlay: Madam Speaker, a point of order. During my speech I asked for unanimous consent to table the document of the hearing held at London, Ontario, on Monday, January 10, 1994, in the matter of applications by Intercoastal Pipe Line Incorporated and Interprovincial Pipe Line Incorporated, pursuant to sections 52 and 58 of the National Energy Board Act.

• (1840)

Madam Speaker, I seek your advice. I thought that received unanimous consent. Perhaps it did not. I am asking again.

The Acting Speaker (Mrs. Maheu): Does the hon. member have unanimous consent to table the report?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): You have unanimous consent.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, today the member has brought forward Bill C–339 dealing with intervenor funding.

In this country we have established independent quasi–judicial panels and agencies to make decisions about land use. This bill deals with intervenor funding in that land use process. For instance, if a large oil company wants to work on a pipeline that runs through miles and miles of farmland, the company must first make an application to the National Energy Board. The board will consider the effects of the pipeline on other people and on the environment before allowing the company to do the work.

This bill attempts to deal with a problem that occurs when a project has the capacity to hurt people or their assets. A large company can afford to hire all sorts of lawyers to make its case and minimize the effects of its agenda so the full truth may not come out at the hearings. The board members may make a decision based on incomplete information at the board hearings which is certainly detrimental to the public interest.

There is a policy interest here. I acknowledge this problem exists. Bill C–339 seeks to correct this imbalance by requiring a large company, such as an oil company, that brings an application before a quasi–judicial agency to pay for certain other groups to oppose its own application. This is one way to provide intervenor funding.

Provincial acts exist in several provincial jurisdictions, two of which are Ontario and Alberta. Ontario's act requires the company making the application to fund its opponent. The member mentioned this is the act that he modelled his private member's bill on.

I want to applaud the intentions of the member for Oxford in putting together this bill because the proposal arises out of a difficult experience of a number of his constituents. The bill speaks to a situation in the member's riding in May 1994 in which 130 farm families had to get together to oppose an application to the National Energy Board made by Interprovincial Pipe Line Inc. to convert pipelines running through their properties.

The farmers were able to fight the action but not before it had cost them $365,000 plus interest. To oppose the pipeline they had to form a coalition across a wide geographic area and put up a lot of personal cash to get the job done. In strict economic terms, without dealing with the human side of the equation, no intervenor funding was necessary in this case. The company that brought forward the application and another body, in this case a group of farmers, had the resources and were able to marshal them together to oppose the application.

In other words, because the farmers were able to put together the money and win the case, it proved no intervenor funding was required. However, strict economic theory would say that the greater the number of people the decision might affect, the greater the pool of money that would be available to oppose it. The number of people increases as more and more people realize the decision will negatively affect their interests. This would be the case if we were talking strict economic theory.

Unfortunately, the pure world of the economist is not the real world we must live in. Many of these applications do not get a lot of coverage in the news so the people that should be concerned do not hear about it until the problems confront them personally, sometimes years later.

A large company like an oil company also has the advantage of superior information. It has been around for a long time. It has had time to develop a lot of expertise and information to present to the panel. Most big companies also have a lot of money to finance research, pay a slew of lawyers to do their work and make slick presentations before boards. They can afford to drag out the hearings over a long period of time. All the advantages are in their ball park.

This subject is very appropriate but I also have questions about this bill. For instance, I question whether it is fair for a private company to be required to finance the very group that may kill its application. This part of the bill would almost certainly be challenged in court by the companies that stand to suffer from it.

There is also an unfortunate, perhaps inadvertent, assumption made by the bill that all companies that appear before boards and agencies are large ones which can afford to fund their opponents. The bill makes no provision for the small business that has to get federal approval for some small development and would therefore find itself subject to all provisions of the bill.

For example, in my riding a very small outfit wanted to put together a silicate sand mine. It was called a mine but it was really a gravel pit. It was a mine because it involved silicate sand. The company jumped through all the hoops and did all the things it could think of to receive provincial approvals, but then it was told that it had to go through the federal approvals because it was a mine. The people finally gave up. They said: "This will cost us another $100,000 and we cannot afford it".

• (1845)

Imagine if a neighbour was worried about sand blowing off the silicate sand pit and wanted intervenor funding. There would be only a couple of people involved but there was no way they could ever afford to pay for the intervenor status.

Clause 4(7) of the bill states that the level of intervenor funding would not be set according to the company's ability to pay, it would be set according to the going rates of the lawyers. That would be enough to kill some companies in a matter of hours.

My second major concern is the scope of the bill, which is very broad. It applies to any project on any land, public or private, that needs approval by any federal authority, including a board or agency, or even a civil servant, where the approval process requires or even permits public input. Can you think of any project of any size at all which is started today without a raft of federal government approvals? I cannot. If intervenor funding was available for all government approvals the program might quickly become unmanageable.

Finally, the bill tends to invite litigation from all manners of groups which would demand funding through the courts if rejected by the funding panel created by the bill. Indeed, the bill tends to create groups which might not otherwise exist because of the promise of either federal funding through court challenges or funding through the intervenor act. We know that the federal bureaucracy has in this way created a demand for its own services for decades and I am sure that some government departments would love the extra work.

These are difficult problems. While I agree with the member's intentions, I have not been able to think of a way to change the bill to minimize the abuses about which I have spoken. I fear that if the proponent funding measures did not fly, that is, if private companies successfully challenged the fairness of having to fund their own opponents, or if they were unable to provide the funding in some way, that government, as usual, would have to take up the slack. It would become a typical government cash cow, milked by many different interest groups with varying degrees of responsibility and various political agendas. As we know, this particular cow at the federal level is a dry cow and there will not be any milk in it for a long time to come.

As I said before, if the panel did not like the group's agenda and refused to support it, perhaps the courts, which have become very sympathetic with intervenor groups in recent years, might force them to do so.

I wonder if the problem could be addressed, at least in part, by having intervenor groups respond to the concerns of their particular constituencies by the government allowing them to have the equivalency of charitable status with Revenue Canada. Therefore, they could receive partial assistance from the federal government. This would require a measure of financial commitment and responsibility by the intervenors and it would not require any panels or acts of Parliament to make those decisions.

I am concerned that the intervenor funding act, if it develops as I fear, may make it very difficult for companies to push forward with new projects in Canada.

Recently we met with the mining companies during the "Keep Mining in Canada" week. They told us that it takes up to three years to get all the approvals from the provincial governments and then the federal government to do the initial environmental assessments and so on to start up a mine.

The industry minister has also mentioned the problems of overlapping of jurisdictions, provincial and federal, that make it very difficult for mines to open. The industry minister is attempting to bring together some co–ordination to reduce the red tape for companies. I fear that the intervenor act may add another level of problems for companies which are trying to create jobs, wealth and opportunity within Canada. Something which we do not need at this time is another layer of problems.

• (1850)

I would like to talk about the basic principle of the bill. We have recently put forward a 20–point proposal on how we can realign federal–provincial obligations in this country. The very first point in our 20–point proposal is that natural resources and the care of natural resources is constitutionally a provincial jurisdiction and whenever possible should be left in the provincial realm.

I mentioned earlier that two provinces already have addressed the problem in their own realm by allowing intervenor funding through provincial legislation. I believe it may be best to leave that natural resource issue with the provinces and allow the other provinces to bring forward similar legislation to address it at the provincial level.

I recognize that the member for Oxford has brought to light an existing imbalance in the system. However, I am not convinced that the bill he has proposed would deal with the problem without creating new problems in itself. I would be pleased, however, to suggest to the Standing Committee on Natural Resources, on which I sit as a member, that the committee invite the member who has brought this bill forward and other witnesses and try to suggest ways of either altering, improving or finding ways to accomplish the purpose behind the bill.

While I would like to thank the member for his effort, I am hesitant to give my support for this bill for the reasons I have stated. I will be listening to the other speeches to see if I can approve it.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I am pleased to rise today to second the motion on Bill C–339, a private member's bill dealing with the subject of intervenor funding. This is certainly a subject that deserves the attention of members of this House and of the government. I thank the member for Oxford for bringing it forward.

Intervenor funding is, as he has indicated, not a new concept for governments or for this House. It was last dealt with seriously when we debated the merits of including an intervenor funding program within the Canadian Environmental Assessment Act in the previous Parliament. At that time, members will remember that I was a strong advocate of a comprehensive intervenor funding program.

Today, Bill C–339 asks us to approve in principle that a proponent of a project which requires approval by a federal board or agency should financially assist those who are intervening in the public interest before the board and it sets out a few guidelines about how this funding program would work.

Specifically, Bill C–339 states that before receiving funding, intervenors need to meet a number of very specific criteria: that the intervenor represents a clearly ascertainable interest that is relevant to the issue; that the intervenor does not have sufficient financial resources; that the intervenor has made reasonable efforts to obtain funding from other sources; that the intervenor has established a record of concern; that the intervenor has made reasonable efforts to co–operate with other intervenors; and, that the absence of funding would adversely affect the representation of the interest.

The criteria also requires the intervenor to have a proposal that specifies the use to which funding would be put, has the ability to record the expenditure of the funding, and has agreed to submit an accounting to the panel for the expenditure and follow and allow that panel to examine its records and verify its accounting.

According to the mover of the motion, the primary objective of the legislation is to give all those who speak in the public interest the opportunity to be heard before federal boards and agencies. The goal is admirable and the criteria is strict, perhaps too restrictive, but there are a few things that I think should be said in the debate before us today.

I want to ensure that there is no misunderstanding. I and my New Democrat colleagues are strong believers in the principle of intervenor funding. We are well aware that when the proponent of a project wants to obtain a permit or a licence to construct something that proponent generally has the funding in place to make the necessary application which may require the inclusion of an environmental assessment.

Obviously the proponent wants that project approved and the information they bring forward will undoubtedly portray that project in a positive light.

On the other hand, there may be others acting in the public interest who want other information considered prior to the proponent's application being approved by the respective board or agency. These others may not have the resources to adequately research, prepare, or deliver this alternative presentation. Therefore, without an adequate intervenor funding program there is no guarantee that the alternative view will ever make it in front of the group considering the licence or the permit that would finally approve the proponent's project.

• (1855)

When Parliament was examining the Canadian Environmental Assessment Act a few years ago, the Canadian Bar Association supported the inclusion of intervenor funding. I quote from the Canadian Bar Association presentation: "Interim funding should be provided to groups or individuals who wish to participate in public hearings and who have demonstrated a sufficient interest in the process and the ability to make a contribution to it. It is a fair and efficient mechanism to level the playing field between parties."

The Canadian Bar Association also said that intervenor costs should be paid. They suggested that a process be established to review and possibly order one party at a hearing to pay the costs of any other party to the same hearing.

Another witness at the same time, the law firm of McJannet Rich, a well–known environmental law firm, argued firmly for an intervenor funding process and set out some rules they thought were important. In their presentation to the parliamentary committee the law firm said: "Intervenor funding is extremely important and should be made available for participants in public reviews in accordance with the following principles: (1) the government has the responsibility for assuring the availability of funding and for its allocation; (2) whatever the source of funds, the proponent must not exercise any control over the allocation; (3) eligibility criteria for intervenor funding must be developed and made known early; (4) a funding allocation committee independent of the panel should be established; and

(5) funding should be made early enough to allow receiving groups sufficient time to organize themselves, prepare submissions, and where appropriate to undertake necessary investigations."

Presentations by two environmental lawyers, Mr. Steven Hazell and Mr. Brian Pannell, also stressed the need for intervenor funding. Again I quote from their presentation to the parliamentary committee: "Public participation in environmental decision making is essential. A community has a right to participate in decisions affecting its interests. Public involvement is the best way to introduce into the process relevant information and values that would otherwise be excluded. Moreover, the public can provide independent scrutiny of the basis for a proponent's actions. This allows for a full exploration of all alternatives and makes the decision and process better and more credible and ensures greater accountability of decision makers."

Pannell and Hazell go on to say that the effective participation by the public requires funding. They say: "The disproportion of resources between proponents and the public necessitates the establishment of an independent funding body to provide adequate amounts of funding to allow full and meaningful participation at all steps to committed members of the public." They say intervenor funding should be levied from the proponent and allocated and administered by an independent body.

I cannot stress enough that an adequately funded clear and agreeable participant funding or intervenor funding program must be put in place as soon as possible. With an ever increasing emphasis being put on resource development, with an ever increasing number of projects being proposed, and with an ever increasing lack of public confidence in government programs dealing with environmental issues, this has never been more important. We must be very careful though in what we do.

I do not think we should let the government off too easily. There is a need to establish an adequately funded program that has some certainty to it. Although Bill C–339 requires virtually nothing from the federal government and puts too much onus on the proponents, we should be looking at a program that has a little more onus on the federal government.

We have to be careful that the specific rules about funding the program do not totally focus on the proponent. I am concerned, as the previous speaker was, that community and co–operative proponents of smaller more locally based projects may be unable to complete their project applications and otherwise community friendly proposals may never become a reality if in fact the bill goes through as is.

• (1900)

There will be times when the proposal put forward today by my friend from Oxford will actually threaten to increase proponent costs in cases like this one to such a degree that community proponents, especially in rural and northern Canada and perhaps in First Nations communities, will simply give up. I would hate to see that happen.

However I stress to the House that I will support the bill before us today. The member for Oxford has done us a great service in bringing the issue forward and bringing it to the attention of the government. We need a clearer and more defined intervenor funding process that perhaps has more independence to it. I look forward to the opportunity to address the issue more fully in committee.

I commend the member for Oxford for his initiative in this regard. If he is successful in achieving full parliamentary review of the legislation, I urge him to look more carefully at the process and perhaps conclude that the next step would be an amendment to establish an independent funding agency rather than leave the decisions to the boards and agencies that actually have to hear the applications.

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I welcome the opportunity to speak on private member's Bill C–339, the intervenor funding act, sponsored by my hon. colleague, the member for Oxford.

The purpose of the bill is to require any person proposing a project that would affect the public interest or the environment, and that is required by law to be reviewed by a public process before being approved by government or an agency of the government, to provide funding to assist organizations that represent a relevant public interest and that wish to intervene in the review process to represent that interest.

Intervenor funding is certainly not a new concept in our country. The province of Ontario currently has the intervenor funding project act and serves as a model for Bill C–339. The Ontario act was in turn modelled upon the funding provided for intervenors before the Mackenzie Valley pipeline inquiry known as the Berger commission in the mid–1970s.

The commission charged with the duty of investigating the appropriateness of a pipeline through the Mackenzie Valley in the Northwest Territories determined that the many diverse interests in the region should be represented in the hearings. In order to level the playing field to compete with the finances available to the proponents of the pipeline, it was deemed necessary to provide money for citizens' groups so that they could properly research their intervention.

While funding for the Berger commission was provided by the federal government, Bill C–339 does not call upon the Canadian taxpayer to provide funding for intervenors. Instead the proponent of the project would have to provide the funding.

This is an interesting and unique proposal. It is based upon the contention that if the proponent is required to bear the cost of intervention, it would motivate the sponsor of the project to work with the potential intervenors in finding solutions before submitting the proposal before the relevant board or agency. The Ontario experience has already shown the effectiveness of the funding.

After witnessing the recent proceedings of the National Energy Board hearing that involved a bid to convert an unused oil pipeline running from Sarnia through my riding of Lambton—Middlesex to Milton, Ontario, I am more convinced than ever that a system of intervenor funding should also be available when federal boards or agencies are involved.

Since this converted pipeline would have run through prime agricultural land in southwestern Ontario the landowners of the region were understandably concerned with the proposal. After several months of hearings the National Energy Board sided with the landowners, clearly taking the interest of the public safety to heart. While happy with the decision, the landowners also spent over $300,000 of their own money participating in the hearings process which had come under the jurisdiction of the National Energy Board.

Had the companies involved in the proposal been registered as Ontario businesses, the hearings would have fallen under the provincial jurisdiction of the Ontario Energy Board and the legal costs associated with participating in the hearings would have been covered by the applicant company. Unfortunately for the intervening land owners the applicant company was from Alberta. Therefore the intervenors did not qualify under the Ontario act.

• (1905)

I certainly agree with the landowners' spokesman who correctly stated that the state of affairs was prohibitive for landowners or anyone else to defend their rights and interests in an application that falls under federal jurisdiction.

On a number of occasions over the past year my southwestern Ontario colleagues and I have been in touch with the particular landowners association. Collectively we have searched for solutions and we have all come to the same conclusion, that there must be changes to the National Energy Board Act whereby landowners or other parties intervening in NEB hearings and acting in the public interest should be granted intervenor funding prior to NEB hearings.

We have also concluded that the granting by the proponents of intervenor funding at the federal level would yield at least three favourable results. Intervenor funding would, first, allow for equal treatment of all interested parties; second, ensure greater public safety by opening up the process to the public; and, third, save public money in the long run.

The more than $300,000 spent by the landowners' association would be minimal compared to the current practice of maintaining a much larger government agency to scrutinize pipeline proposals.

While the National Energy Board Act presently allows for limited intervenor funding for detailed route hearings, certain technicalities in the act preclude intervenors from receiving funding for natural gas pipeline matters. Unfortunately for the landowners in southwestern Ontario, the Alberta company had proposed a conversion of the unused oil pipeline to natural gas. Therefore the landowners were out of luck under the terms of the NEB act.

In communications with the Minister of Natural Resources I have been informed that the department is currently engaged in an exercise with the NEB to review a variety of NEB functions and to address a number of deficiencies in the NEB act. I have been assured by the minister that the issue of intervenor funding has been included in the exercise. At the same time I have been informed by the Minister of Natural Resources that the government's fiscal situation strongly suggests that any intervenor funding would likely be on a proponent pay system.

This is precisely where Bill C–330 could fill a void in federal policy. It would dovetail nicely with the current review of the National Energy Board.

The bill is designed to assist those with bona fide concerns. It is certainly not meant to provide funding for special interest groups. The bottom line is that it would improve the way in which the federal government and its agencies and boards make decisions that affect all of us. Perhaps best of all, by calling for the proponent of a particular project to provide funding for the intervenor it would take the onus off the government to empty its pockets every time there is a hearing. Instead the government board or agency would devote 100 per cent of its efforts into judging the soundness of the proposal at hand.

Bill C–339 calls for the relevant authority to appoint a funding panel to determine who will benefit from the project. It would hear applications for funding from intervenors and the panel would determine who should be funded. Before receiving funding the intervenor would have to satisfy a number of important criteria.

The intervenor would have to represent a clearly ascertainable interest that is relevant to the issue before the review authority and that should be represented at the hearing. It would have to be established that the intervenor does not have sufficient financial resources to make the representation without funding. There would have to be reasonable efforts to obtain funding from other sources. The intervenor would have an established record of concern for and commitment to the interest in question. Reasonable efforts would have to be made to co–operate with other intervenors that represent similar interests. It would be incumbent upon the intervenor to demonstrate the existence of a proposal that specifies the use to which funding would be put

and to submit to an examination of all records by the panel to verify the intervenor's accounting.

These are more than ample safeguards to ensure that no application for intervenor status would be made on frivolous grounds.

I am deeply impressed with the bill. Not only would it allow for a responsible means by which intervenors could put forward their perspective in a way that would allow the board or agency to make a decision with the best information available, but it would do so without making onerous financial claims on the government.

I can certainly understand why the Standing Committee on Procedure and House Affairs decided to make this private member's bill a votable item. It is because it fills a void in federal government policy and offers a unique means to address a pressing public interest issue without extending a hand for more government dollars.

I urge all members of this House to give this bill the support it deserves.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Madam Speaker, it is my privilege to rise and speak on Bill C–339, as introduced by my colleague representing the riding of Oxford.

I wish to take this opportunity to congratulate and thank my colleague from the great riding of Oxford for the impressive amount of work and research he has put into this bill.

The primary objective of this legislation is to give all of those people who speak in the public interest the opportunity to be heard before federal boards and agencies. With this bill, federal boards and agencies will make better decisions with a higher level of public input, consultation and participation.

Bill C–339 is designed to assist those with bona fide concerns. It is not meant to provide funding for special interest groups. It is in the interest of each of us for the public interest to be heard. This bill will ensure that the public interest is heard.

The Acting Speaker (Mrs. Maheu): Order, please. The hon. member will be able to resume his remarks the next time the matter is debated.

It being 7.13 p.m., the time provided for 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.

The House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.13 p.m.)

HOUSE OF COMMONS

Thursday, November 2, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed from November 1 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 third time and passed.

The Speaker: It being 10 a.m., pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division at third reading stage of 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.

Call in the members.

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

(*Division No. 364*)

YEAS

Members

Adams
Alcock
Anawak
Assadourian
Augustine
Axworthy (Winnipeg South Centre/Sud-Centre)
Baker
Bakopanos
Beaumier
Bélair
Bélanger
Bellemare
Bertrand
Bethel
Bevilacqua
Blaikie
Bonin
Boudria
Brushett
Bryden
Calder
Campbell
Cannis
Catterall
Cauchon
Chamberlain
Clancy
Cohen
Collenette
Collins
Cowling
Crawford
Culbert
DeVillers
Dhaliwal
Dingwall
Discepola
Dromisky
Duhamel
Dupuy
Easter
Eggleton
English
Fewchuk
Finestone
Flis
Fontana
Fry
Gaffney
Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Godfrey
Goodale
Graham
Gray (Windsor West/Ouest)
Grose
Guarnieri
Harvard
Hickey
Hopkins
Hubbard
Iftody
Irwin
Jackson
Keyes
Kirkby
Knutson
Lastewka
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacAulay
MacDonald
Maclaren
Malhi
Maloney
Manley
Marchi
Marleau
Massé
McCormick
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Reilly
Parrish
Patry
Payne
Peric
Peters
Phinney
Pickard (Essex—Kent)
Pillitteri
Proud
Reed
Rideout
Robichaud
Robillard
Rock
Scott (Fredericton—York—Sunbury)
Serré
Shepherd
Simmons
Speller
St. Denis
Stewart (Brant)
Stewart (Northumberland)
Szabo
Taylor
Telegdi
Terrana
Tobin
Ur
Vanclief
Verran
Walker
Wells
Whelan
Wood
Zed—125

NAYS

Members

Abbott
Ablonczy
Asselin
Bachand
Bélisle
Bellehumeur
Benoit
Bergeron
Bernier (Gaspé)
Bridgman
Brien
Brown (Calgary Southeast/Sud-Est)
Caron
Chatters
Chrétien (Frontenac)
Crête
Cummins
Dalphond-Guiral
de Savoye
Debien
Deshaies
Dubé
Duceppe
Dumas
Duncan
Epp
Fillion
Frazer
Gagnon (Québec)
Gauthier
Gouk
Grey (Beaver River)

Grubel	Guimond
Hanger	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoeppner
Kerpan	Lalonde
Landry	Laurin
Leblanc (Longueuil)	Leroux (Shefford)
Loubier	Marchand
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
Ménard	Mercier
Mills (Red Deer)	Morrison
Nunez	Paré
Penson	Picard (Drummond)
Pomerleau	Ringma
Rocheleau	Sauvageau
Silye	Solberg
Speaker	St-Laurent
Strahl	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
White (Fraser Valley West/Ouest)	White (North Vancouver)—76

PAIRED MEMBERS

Bouchard	Canuel
Ianno	Jacob
Jordan	MacLellan (Cape/Cap-Breton—The Sydneys)
McGuire	Plamondon
Thalheimer	Venne

• (1025)

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

Mr. Chan: Mr. Speaker, if my plane had been on time I would have voted with the government.

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 two petitions.

* * *

PRIVATE MEMBERS' BUSINESS—MOTION M-473

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I would like to seek the House's assent to change Motion No. 473 for Motion No. 474 on the order of priorities for private members' business. I seek the consent of the House in this.

The Acting Speaker (Mrs. Maheu): Does the House give its unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): The hon. member for Calgary West has the floor on a point of order.

[*English*]

Mr. Harper (Calgary West): Madam Speaker, I rise on a point of order. If I understand the motion correctly, it is to not debate the issue of the international laws that pertain to the recognition of Quebec's right to self-determination. As it is obvious from the statements from the Bloc that we will be debating this in the future, we in the Reform Party believe it is important that Parliament, which is representative of all of Canada, have a chance to debate this issue. Therefore we will not agree to dropping this off the Order Paper.

[*Translation*]

The Acting Speaker (Mrs. Maheu): We do not have unanimous consent, therefore.

* * *

PETITIONS

SMALL AND MEDIUM SIZE BUSINESSES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Madam Speaker, I have the honour of presenting this petition on small and medium size businesses.

[*English*]

Almost everyone knows that small and medium size businesses in Canada are important to job creation and are important to the quality of life of Canadians. These petitioners are simply requesting that whenever governments make decisions that could impact on small and medium size businesses they recognize the importance they have for Canada in terms of jobs and in terms of adding to the quality of life.

BOVINE GROWTH HORMONE

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Madam Speaker, I would like to table a petition from 33 Canadians in the Prince Edward—Hastings area calling on Parliament to take steps to keep the bovine growth hormone out of Canada by legislating a moratorium on the use and sale of the bovine growth hormone until the year 2000 and examining the outstanding health and economic questions through an independent and transparent review.

• (1035)

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I have the honour to present a petition from several hundred persons, young people who are demanding that the Canadian government amend the Canadian Human Rights Act to include sexual orientation as the tenth illegal reason for discrimination.

I enthusiastically support this petition and trust that the government will act it on expeditiously.

[*English*]

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. This portion of the petition has been signed by a number of Canadians from Stratford, Ontario.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession, which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

PARLIAMENTARY PRAYERS

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I have a petition from citizens of the city and county of Peterborough. The petitioners state that whereas the name of Our Lord Jesus Christ and the Lord's Prayer have been included in the historic parliamentary prayer of the House of Commons since 1867; and whereas Canada was founded and built upon the principles of Christianity and a large majority of Canadians profess the Christian faith; therefore they call on the House of Commons to close the parliamentary prayer with the words "through Jesus Christ our Lord, Amen" and reinstate the Lord's Prayer at the conclusion of the opening prayer.

SEXUAL ORIENTATION

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I have another petition from numerous citizens in eastern Ontario.

The petitioners point out that acts of discrimination against lesbian, gay and bisexual Canadians are an everyday reality in all regions of Canada and that this kind of discrimination is unacceptable in a country known for its commitment to human rights, equality and dignity for all citizens.

Therefore these 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 adapt all necessary measures to recognize the full equality of same sex relationships in federal law.

[*Translation*]

DIVORCE ACT

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Madam Speaker, pursuant to Standing Order 36, it is my pleasure today to present a petition signed by 111 residents of Labelle County in my riding.

The petition is about an issue that concerns many Canadians. It asks Parliament to amend the Divorce Act by including a provision identical to section 611 of the Quebec Civil Code, which provides that parents cannot, without serious grounds, interfere with a child's personal relationship with its grandparents and that if no agreement can be reached by the parties, the terms of this relationship shall be determined by the court.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 239 will be answered today.

[*Text*]

Question No. 239—**Mr. White (Fraser Valley West):**

Concerning CPC, for the most recent available 12-month period, (*a*) what was the detailed cost breakdown of all expenditures on hospitality for customers and other business clients, with particular reference to private boxes and season tickets at professional sports stadiums and arenas, including expenditures paid out through employee expense claims, and (*b*) what were the expense claims for the top four Canada post executives in Vancouver, Calgary, Edmonton, Regina, Winnipeg, Toronto, Ottawa and Montreal?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): As a commercial crown corporation, Canada Post is not subject to the Access to Information Act. The government made the decision to exempt crown corporations such as Canada Post, in recognition of the requirement that they operate in a competitive environment. The Privacy Act also protects personal information from third party access, these are deemed as commercially confidential.

[*English*]

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

The House resumed from November 1 consideration of the motion that Bill C–88, an Act to implement the agreement on internal trade, be read the second time and referred to a committee.

The Acting Speaker (Mrs. Maheu): When the House last considered Bill C–88, the hon. member for Joliette had 11 minutes left.

Mr. René Laurin (Joliette, BQ): Madam Speaker, when I had to break off my speech yesterday to let the House proceed with the Orders of the Day, I was discussing the actual impact of Bill C–88 and, more particularly, clause 9 of the bill.

The wording of clause 9 allows for a very broad interpretation. For instance, the federal government would be able to intervene and impose retaliatory measures even when it is not a party to the dispute.

Although the Bloc Quebecois has always been in favour of free trade and, in fact, we cannot do otherwise but support this concept, when a clause like this one gives the federal government sweeping powers, we must object to adopting the bill as tabled, or at least to the wording of clause 9. In fact, this clause could lend itself to two very different interpretations.

• (1040)

One interpretation could result in the federal government's giving itself powers, because of its obligation under the agreement to have the option to impose retaliatory measures, in the event and only in the event it becomes an aggrieved party. We believe clause 9 does not provide this. In fact, the first part of clause 9 reads as follows:

> (1) For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order,—

So the federal government may intervene and impose a variety of measures, which I will not read in their entirety, but will simply summarize: suspend rights or privileges, modify the application of any federal law; extend the application of any federal law to a province or take any other measure it considers necessary.

As it stands, we could interpret the meaning. In the case where a party is found to be in the wrong, under the terms of article 1710 of the agreement, the federal government, whether it is a party to the dispute or not, will be entitled to impose retaliatory measures against the party in question. As we saw yesterday, the parties may be a province, the federal government or any third party with close ties to either the province or the federal government.

We also pointed out yesterday that, because of its spending power, the federal government was already meddling in many areas or activities that are strictly provincial in jurisdiction and already had considerable latitude because of the way the parties were defined. Because of the considerable latitude it already enjoys under the definition of "federal government", it would be superfluous to add more here and permit the federal government to intervene even when it is not an aggrieved party. We believe this interpretation is contrary to the intent of the agreement.

The agreement does not, in fact, provide that the federal government may impose retaliatory measures against an injuring party. It could do so only if it was recognized as an injured party in this dispute.

The second possible interpretation of this provision, and the one with which we might agree, is that if the federal government wanted to retaliate against a party at fault pursuant to article 1710 of the agreement, it could do so only as the injured party in the dispute.

If this is what this provision means, we might agree. However, since the wording may be ambiguous and leave room for interpretation, we would like to clarify this paragraph by amending it so that if the federal government is recognized as a party injured by a measure imposed by another party in violation of the agreement, the governor in council may, by order and pursuant to article 1710 of the agreement, take the measures as listed in clause 9. This is our first comment regarding clause 9.

• (1045)

Another point I wish to raise is that the range of retaliatory measures of which the federal government may avail itself pursuant to clause 9 of the bill is much too broad.

By giving itself the power to modify or suspend the application of any federal law with respect to the province, to extend the application of any federal law to the province, or to take any other measure deemed necessary, the federal government is granting itself inordinate retaliatory powers that may affect the entire population of a province. The problem is that the federal government's legislative power affects all Canadians and that it already imposes laws on the provinces. These powers are denied to the provinces and we think in this case that, once again, this article could allow the federal government to impose its will on the provinces.

The federal government's retaliatory powers should be strictly limited to the trade areas already defined in the agreement. So, if we agreed on these restrictions, the federal government could no longer retaliate in social areas and go after the Canada social transfer, for example.

For the Bloc Quebecois, this is another way of looking at this article, which we regard as very important.

Finally, I would like to point out another controversial aspect of this bill. Clause 14 of this bill deals with the powers of appointment.

> The governor in council may, by order, appoint any person to fill any position that may be necessary or advisable, in the opinion of the governor in council, for carrying out the purposes of the agreement.

Again, as in many other areas, the Bloc Quebecois thinks that these appointments should be ratified by the House of Commons instead of simply requiring an order of the governor in council. As in the case of appointments to several important boards, which are ratified by the House of Commons, we feel that—in this case involving billions of dollars in interprovincial trade subject to this act, this agreement—it is very important that all appointments be made public and subject to some scrutiny by the House. In fact, we ask that these appointments be made or suggested by the governor, but that they be systematically ratified by the House of Commons.

Those are the three points I wanted to raise with respect to clause 9.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, I am happy to rise today to speak about the so–called agreement in Bill C–88 on internal trade barriers.

This bill is a total sham and should never have been introduced in the House. It has nothing to add to internal trade that is not already in place in the BNA act. It does not even maintain the same standard. Let me quote from section 121 of the BNA act. This is what we had before: "All articles of growth, produce or manufacture of any one of the provinces shall be admitted free into each of the other provinces".

What do we have now under article 101 of this provincial trade agreement? It states that the objective of the agreement is to reduce and eliminate, to the extent possible, barriers to the free movement of goods and services.

Is that not somewhat less than section 121 of the BNA act which says shall be admitted free? Obviously it is. I am concerned that the bill is like a Hollywood movie set. It looks good on the outside but there is nothing behind it. There are no teeth in this agreement and I have good reason to say that.

• (1050)

I tested the bill. A company in my riding has a contract with CN Rail to move its workers from Grand Prairie, Alberta into the Dawson Creek area of B.C., some 60 miles away. What did the company find? It cannot get a permit to go into B.C. It is being restricted even though it has a contract to move its cabs into that area.

We decided to test the new internal trade agreement. We asked the Department of Industry and the Department of Foreign Affairs and International Trade to get involved to see what they could do to help this company resolve the problem. They can do absolutely nothing.

This so–called trade agreement is nothing. It is just a loose agreement of empty words. It certainly will not do anything to address the problem of internal trade barriers which cost Canada between $8 billion and $10 billion a year. We simply cannot afford these kinds of costs. We are in a very competitive global trading environment and we have to give our companies the ability to build some economies of scale here at home before they launch into international business.

Let us talk about international business for a moment. Canada has signed some very good trade agreements internationally. We have signed the new GATT agreement, the Uruguay round. We have signed the NAFTA and previous to that the Canada–U.S. free trade agreement. We have better international agreements for trade than we have agreements for trade between the provinces. It is absolutely ludicrous. To pretend that this bill addresses the problem is just misleading the Canadian public.

The European Economic Community is now 15 member countries. There are fewer barriers to trade between those 15 countries in the European Union than we have between the provinces. Some decentralized federation. We need a workable agreement between the provinces and the federal government has to show leadership. That is what it involves. It must show leadership and broker the kind of agreement that is necessary. Obviously Bill C–88 does not do that.

Whole segments of the economy are not addressed in this bill. It does not include agriculture. It does not include certain government procurements or regional development. Those are all very significant barriers to trade.

A good example of how silly the trade gets within this country and the barriers we meet can be told in one simple example. A trucking company in Alberta had a gravel contract nine miles from the British Columbia border. It was working well within the province of Alberta, but at the end of the day the drivers wanted to drive their trucks into the nearest town to stay overnight in a hotel and eat in the restaurants. They were not allowed to do so. Why not? It is because their trucks did not meet the requirements for the regulations in British Columbia. They had to have different axle spacings, an empty truck, certain permits they could not get without considerable expense. They had to bring in a special vehicle to take the workers into British Columbia to the hotel. That is how ludicrous this gets.

I suggest this is the type of situation there was in Russia some 10 years ago under communism. Surely we have to move beyond that if we are going to be effective in the world economy.

Nothing has been resolved in the area of natural resources and energy, all key areas of trade in Canada. The cost is estimated to be $8 billion per year. We cannot afford those costs. We must have a government that shows leadership and we certainly did not get it here.

The Prime Minister said that this was a modest proposal. Modest indeed. Most Canadians would see it as a complete waste of time and money. I am appalled that the Minister of Industry would bring this forward in the guise of a bill that is going to address the problems of trade restrictions.

I would ask him to go back to the drawing board. Bring the provincial premiers together. Bring the industry players together and show them what the cost is to our society. Show them what the cost is to their own industry. We can do much better. I challenge this minister to do so.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I would like to remind the House that we are now at the ten minute speech stage, with no question or comment period.

• (1055)

Mr. Jean H. Leroux (Shefford, BQ): Madam Speaker, first of all, I would like to pay tribute to the people of my riding who have voted yes in the referendum, in a proportion of 52.7 per cent, in the provincial part of Shefford as well as in the Iberville part. In the riding of Iberville, 56 per cent of voters said yes.

From the outset, you should know that I intend to continue sitting in this House for the duration of my mandate as a member of Parliament for the Bloc Quebecois.

This morning, I rise to speak on Bill C–88, an act to implement the Agreement on Internal Trade. As you know, Quebec—and Quebec members elected to this place in 1988—is responsible for the passage of the Free Trade Agreement. Had it not been for Quebec and its voters, Canada would have had a much harder time entering into this agreement between Canada and the United States that has greatly benefited both countries.

Quebec is a state which is open to the world. At present, and this is very sad, it is easier for Quebec to trade with the U.S. than with the rest of Canada because there was no legislation like this, and that made interprovincial trade extremely difficult. As the Minister of Commerce indicated, the difficulty came from the fact that Canadian laws dated back to the 1940s and that there was an unwillingness to evolve.

As I said a moment ago, Quebec trades mainly abroad, with the United States of America becoming our main trading partner. We also trade with the rest of Canada, although less and less as time goes by, and our trade relations with the rest of Canada or our provincial partners are also important.

Bill C–88 will normalize a situation that did not exist before. Take clause 9 of the bill for instance, which we have a problem with. It reads:

> For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement,

made between the provinces

> the Governor in Council may, by order, do any one or more of the following:

The fault we find with this bill is that, once again, the federal government gives itself the prime role. In the context of federal–provincial relations, Canada has always give on itself the prime role and retained the right of disallowance. In this case, penalties could even be imposed instead of deferring to an arbitral tribunal, as would normally be the case between states or provinces.

We totally disagree with Ottawa giving itself the kind of power this legislation would afford it. As I said earlier, Quebec has always been in favour of interprovincial trade in Canada.

What I cannot understand is why Canada manages its internal trade the way GATT managed international trade in the late 1940s. Mr. Manley himself, the current trade and commerce minister of Canada, said so.

• (1100)

The important thing to remember is that, in clause 9 of this bill, the government gives itself a power to disallow and punish. We also object to clause 14, which reads as follows:

> 14. (1) The Governor in Council may, by order, appoint any person to fill any position that may be necessary or advisable, in the opinion of the Governor in Council, for carrying out the purposes of the Agreement.

This provision means that, once again, Parliament will not have a say regarding these appointments. The Liberals always talk about reforms. They always say that they want to change the system. Yet, when they introduce bills, we realize that this is impossible, that the system cannot be changed and that there will not be any reform.

Once again, the governor in council has the privilege of making appointments, without asking for Parliament's approval. Sometimes, we wonder what we, elected representatives of the people and regions of Canada, are doing here. We meet in this House as representatives of the people and that, as you know, is a costly process. However, when the time comes for the government to place its confidence in our assembly and seek its approval, that government bypasses the whole parliamentary process and makes appointments through orders in council or departmental orders.

If Canada is considering reforms, it must correct that situation and give much more power to this Parliament. Canadians and Quebecers are not stupid, you know. They are increasingly aware of the fact that we do not make many decisions here; we just talk. Everything is already decided, and this is what I strongly object to. Reform members also denounce that situation, and this is to their credit, even though we may disagree on what needs to be done. We happen to think that we are a different country. We feel that the chaotic situation in Canada could be corrected by making some constitutional changes.

The ball is now in the court of the people opposite. What will they do? Probably nothing. We will wait and see. We expect that futile discussions will go on for the next 30 years, but I have to say that we do not intend to stick around very long.

In conclusion, this bill provides once again the federal government with the power to act alone and not consult the provinces, something which is unacceptable. It is unacceptable because, in a partnership—as trade relations should be—one side cannot give itself the power to control everything.

Federalism will once again create difficult situations. This bill will probably be passed without amendments, like a number of other ones, thanks to the Liberal majority. By staying within the Canadian federation, Quebec will have to suffer the consequences of that legislation, which will increase the power of the federal government, at the expense of the provinces.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, here it is at least a year after the legislation was introduced. It wends its way through the labyrinth of our political process and finally finds itself back on the floor of the House of Commons.

I thought I would be speaking to the bill yesterday so I thumbed through November 1 in history. Of course today is November 2. Interestingly Michelangelo completed his work on the Sistine Chapel, but it only took him four and a half years. The legislation is progressing apace, but no one will compare it with Michelangelo's work on the Sistine Chapel.

• (1105)

Actually to many observers it looks like a make work project. Anyone who has given the matter even a modicum of thought understands and appreciates how ludicrous it is in our country, united from sea to sea to sea, that it is more difficult to trade internally than it is to trade with any other trading partner we may have in the United States or elsewhere in the world.

When the legislation was being put together and the debate among provincial trade delegations was taking place, more people were sitting around the table trying to break down the barriers of interprovincial trade in our country than there were sitting around the table when we were trying to break down the trade barriers with the United States and to shape the North American Free Trade Agreement.

We had a situation where we were hopefully to have a North American Free Trade Agreement between Canada, the United States and Mexico and there were fewer people sitting at the table than when we were trying to break down internal trade barriers within Canada.

How did we end up in that situation? How is that our country ends up in a situation like that? Just a moment ago my hon. colleague from the Bloc spoke. I have had the pleasure of spending many hours in committee with the member listening to him defend the unilateral interests of Quebec. I have never once, in the two years that we have been here, heard him mutter one word about the rights, the interests or the values of Canada as a nation. Every word that has come out of the hon. member's mouth and the mouths of all members of the Bloc has been directly related to Quebec, how they can better the interests of Quebec.

The precise reason we have a problem in interprovincial trade in our country is that we have a kind of parochialism about our institutions. It is one of the primary reasons there is so much discontent from coast to coast to coast. For years citizens of Canada resident in the regions of Canada on the east coast, the west coast, the prairies and the north were merely markets for the manufacturing centres of central Canada in Montreal and southern Ontario.

We now have an opportunity to break down trade barriers within Canada, which would greatly strengthen the economic prospects of all regions of the country, including the manufacturing heartland of Ontario and Quebec. And what happens? We get around a table to debate the opportunity to make our country better.

Canadians spent $1.5 million or so to have Professor Michael Porter of the Harvard Business School do a study on Canada's competitive situation in the world. Interested viewers may know the same study or a study very similar to it could have been obtained for $2,000 U.S. from the Harvard Business School video series. It is exactly the same; it is on competitive strategies.

In any event this $1.5 million study has a recommendation at page 98: "Extend efforts to increase rivalry". It is a well known fact that to get a better product at a lower price we need competitive situations; we need rivalry. Professor Porter in his study asked how we were to be competitive internationally if we were not first competitive at home. How are we to be competitive at home if we have trade barriers that restrict competitiveness? It just makes sense.

This reminds me of the situation we found ourselves in when we entered into the free trade agreement with the United States

which members opposite, I would remind them, fought so vigorously. By and large members on this side and I were very much in favour of it.

• (1110)

An hon. member: They are born again.

Mr. McClelland: My colleague says that the Liberals are born again. They are learning. Here they are in government embracing the free trade agreement for the good of all. We are glad to see they have learned the error of their ways.

How is it that we entered into a free trade agreement with the United States, the most aggressive, strongest trading nation in the world, and had not first broken down the internal trade barriers in Canada? It is like getting into a fight with the biggest person in the school yard and saying: "I am going to fight fair. I am going to tie one hand behind my back just to make it fair for you because you are so big. Oh, by the way, just in case you think I might whip you, even though I have one hand tied behind my back, we will have the highest interest rates we have ever had, a high dollar, and we will fight with you in a free trade environment".

It was kind of like a Monty Python skit with the knight that had a head and a torso but no arms or legs. He had the knife in his teeth and was saying: "Fight fair, fight fair. I can beat you". That is what we did. We prostrated ourselves by having high interest rates and by having a high dollar, but most of all we had not broken down trade barriers within Canada so that we would be more efficient before getting into the free trade arena, the global trade arena in the world we find ourselves in. It is absolutely essential the trade barriers be broken down.

This speaks to the nub of the reason we are not supporting the legislation. People would ask: "How on earth can the member speak so positively about the necessity, the absolute need to break down trade barriers, and yet they will vote against the bill?" The reason is that the government has the responsibility to provide leadership and to make sure we actually break down trade barriers.

We get together with the provinces and have months and months of gumming this thing. Nothing happens. The disparity between the provinces in the way they approach the issue is enormous. The fault honestly should not be laid totally at the feet of the government because the provincial governments are involved as well. When the Alberta government came to the table to negotiate the free trade agreement it had one page with one line on it, that there should be no barriers to free trade in Canada. Our neighbouring provinces, Saskatchewan and British Columbia, came to the same meeting with a large stack to protect this, that and the other thing. Ontario, as I am told, made significant concessions. Quebec had to protect everything including the dairy industry and everything else it had.

This is where leadership comes into play, but the federal Liberal government did not lead. Its mandate is to keep people at the table to ensure laws are made to best accommodate the necessities of our country in the future.

In conclusion I will point out what leadership is all about. The Liberals will look at this era in history and hope that the writers and history will look kindly at them. They will look kindly at them if they seize the opportunity to make history, not to be carried along by events and overtaken by them.

Mr. John Maloney (Erie, Lib.): Madam Speaker, I am pleased to have the opportunity this morning to speak to Bill C–88, an act to implement the agreement on internal trade.

This piece of legislation is historic. With it we will be implementing within the federal jurisdiction the obligations of the federal government under the first comprehensive domestic trade agreement in Canada since the British North America Act, 1867.

In the 128 years since 1867 the Canadian economy has grown and evolved in ways never imagined by the Fathers of Confederation. The federal government still has under section 91(a) of the Constitution responsibility for trade and commerce and specifically interprovincial trade.

• (1115)

Since 1867 the world has changed significantly. The provinces have assumed prominent roles as influencers of economic growth and the regulation of trade and commerce within their respective territories. As a result, trading arrangements and regulations have developed in an ad hoc way often in response to a regional need.

Many of those measures have, often unwittingly, created barriers to trade as the impact on the free flow of goods, services, people and capital within Canada. Such barriers can lead to the inefficient use of resources and limit the ability of industry to take advantage of the economies of scale and to maintain competitive market positions. The result has often been to reduce the competitiveness of Canadian business and to adversely affect the Canadian economy.

There have been many examples of such impediments: different professional and occupational standards in different jurisdictions which limit labour and mobility between provinces; selective listing policies by some provincial liquor boards that discriminate against products from outside their provinces; different transportation regulations, safety codes, inspection arrangements and vehicle standards in each province which make it difficult for truckers to cross provincial boundaries; government procurement polices that give preference to local companies; provincial incentive programs for industry development; and construction procedures that differ from jurisdiction to jurisdiction. These are some of the more common examples of

barriers and impediments to interprovincial trade and commerce as exist in Canada.

A recognition that the patchwork of regulations, standards and other barriers to interprovincial trade which have grown around us was an unacceptable feature of the domestic market in Canada. It led governments to agree to negotiate the agreement on internal trade. Growing concern and evidence that these barriers to trade seriously affected our ability to remain competitive in the international trading environment fuelled the urgency of establishing a new trade regime in Canada: one based on more interprovincial trade; one that would not impede the movement of people and investment within the country; and one that would allow for co–operative approaches to the resolution of domestic trade disputes.

Bill C–88 represents the federal government playing its part in doing just that. This bill establishes the framework that will allow us to continue to work to create a trading regime that will remove barriers to interprovincial trade in goods and services; that will reduce impediments to the movement of workers and investment capital between provinces; and that will provide a forum for the resolution of individual trade disputes without resorting to the courts.

The process leading up to this bill has been a long one. It has involved many people and considered many issues and perspectives. In addition to the federal, provincial and territorial governments at both the ministerial and official levels, representatives of the private sector have been actively involved in the process.

Representatives of the private sector and of business interests in particular, have kept the pressure on us at all levels of government to deal with the problems of interprovincial trade barriers and the consequential economic costs to Canada. The Canadian Manufacturers Association has estimated that barriers to trade in our domestic market cost the Canadian economy over $7 billion annually in job and income loss.

There has been a long and thorough process under way to identify problem areas and to develop practical, workable solutions. A key characteristic of the process has been the spirit of co–operation which all the parties involved have demonstrated. In fact, the agreement on internal free trade is an outstanding example of what can be accomplished within a co–operative framework in Canada.

It is also important to note that political parties of all stripes and all regional perspectives have been part of the process.

One fundamental point agreed on by all the parties in the negotiation process is a recognition that a more open trading environment will be good for Canada.

While the process was of long duration, it was characterized by co–operation and a sense of shared mission. The agreement represents a major step toward our shared objective of improving the domestic trading environment and to eliminating barriers to trade, investment and labour mobility in Canada.

The agreement on internal trade provides for the following: a rules based system for trade within Canada; a dispute settlement mechanism to resolve issues on internal trade matters; a standstill on new barriers; commitments to future negotiations to broaden and deepen the agreement; a code of conduct to prevent destructive competition from investment; increased labour mobility; and a commitment to reconcile standards related measures. These are significant achievements.

• (1120)

A key part of this agreement, indeed a key part of any trade agreement, is in how it resolves disputes. This agreement represents a unique solution to our unique Canadian circumstances. It has a made in Canada solution and it provides the basis for promoting compliance through consultation and co–operation rather than by resorting to more formal court based procedures. It is built on rules that draw on established concepts in the international trading environment, but has been refined for use in a Canadian context.

In the international trading environment there are several examples of accords and agreements which set out rules for trading between nations. There are many, many different models for settling disputes and achieving compliance. Well known examples include the General Agreement on Tariffs and Trade, commonly known as GATT, and now the new World Trade Organization, the WTO, the European Union and the North American Free Trade Agreement.

There have been suggestions that we in Canada should just use one or another of these models in the Canadian situation. These suggestions overlook the important issue of the sovereignty of the parties to an agreement, as well as the degree of political control that the parties themselves are willing to give up to a compliance mechanism.

In the case of the European Union for example, the central authority is supreme over that of the individual member countries. The European Union accord is a comprehensive agreement which gives the central governing authority the overriding power to propose and enact legislation that applies to all parties. That system is based on a legislative and judicial framework, so that a business firm or an individual who feels aggrieved by an action under the law of a particular nation can bring the case to the European Union council as the supreme authority.

Thus the parties to the European Union agreement have relinquished their sovereign authority in areas of trade law, competition policy and government support for industry and have agreed to accept a formal dispute settlement mechanism with the power to enforce decisions. If we applied this model to Canada, it would mean that the federal government would exercise authority over all the other jurisdictions. I wonder if those who recommend the European model are aware of that.

The General Agreement on Tariffs and Trade, GATT, offers a different model. Under GATT, member nations do not relinquish sovereign authority and disputes are brought forward by a sovereign government representing its national interest. Disputes are referred to an ad hoc panel that can recommend that a trade policy or course of action be changed, but the recommendation cannot be enforced in law. Thus parties to GATT retain their sovereign right to enact and enforce laws within their own country, but do not have recourse to an enforcement mechanism to change non–compliant behaviour outside their own boundaries.

The North American Free Trade Agreement is closer to the GATT model in that sovereignty remains within the national government of each state and disputes are brought forward by governments to the NAFTA commission, which is made up of the responsible ministers of each country who will set up a panel to consider specific disputes.

Whereas parties to the NAFTA retain sovereign authority with respect to enacting and enforcing national legislation, they have agreed to accept the authority of the NAFTA commission to administer retaliatory measures on behalf of aggrieved parties as enforceable sanctions. Thus, under NAFTA, parties remain sovereign states but have effectively ceded some of their sovereignty.

While all of these models have useful elements, none was applicable to the Canadian situation.

The internal trade agreement created a committee on internal trade to oversee its implementation and continuing operation. All governments who are party to the agreement, that is the federal, provincial and territorial governments, are members of the committee.

The committee will be supported by a secretariat which is to provide administrative and operational services. Part of the mandate of the committee is to assist in the resolution of disputes arising out of interpretations and applications of the agreement.

The working philosophy of the committee and of the agreement is to use consultation and conciliation in dispute resolution. Disputing parties will be encouraged to make every attempt through co–operation, consultations and other forms of dispute resolution to arrive at a solution.

I would suggest that Bill C–88 should be supported by all members of this House. It is a progressive measure, a progressive law. It will be good for the country. It will be good for the constituents of Erie riding which I represent.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I am speaking today on Bill C–88, an act to implement the agreement on internal trade.

• (1125)

As we are aware, the federal government must implement that agreement through Parliament. There are a number of points covered in this bill: the process for appointment of a federal representative to the Committee on Internal Trade; payment of the federal government's share of expenditures associated with operating the secretariat; the power of the governor in council to suspend, in special cases, the benefits granted under the agreement. Also, no private course of action may be taken based on the text or its implementing orders, nor the provisions of the agreement, other than specific exceptions, without the consent of the Attorney General of Canada. Here are a few more: retaliatory powers where the federal government is an injured party; changes in certain federal legislative texts to bring them in line with the agreement, such as the Financial Administration Act, the Crown Liability and Proceedings Act, the Interest Act and the Motor Vehicle Transport Act.

The role of the Committee on Internal Trade is to supervise implementation of the agreement and to facilitate dispute settlement. This bill ensures equal treatment of individuals, goods and businesses, regardless of their origin within Canada. It harmonizes standards and regulations in order to eliminate certain practices which might present an obstacle to interprovincial trade. It calls for the free movement of individuals, goods and capital.

The eleven sectors covered by the agreement are public contracts, investments, labour mobility, consumer measures and standards, agrifood products, alcoholic beverages, natural resource processing, communications, transportation, energy, and environmental protection. These various sectors are affected to varying degrees.

Retaliatory measures may be taken by the injured party against the party not complying with the agreement. A party may be a province, a territory or the federal government.

The main purpose of Bill C–88 is to implement the Agreement on Internal Trade. As other members of my party have already said, the Bloc Quebecois has always supported free trade, both internally and internationally. Consequently, we support the principle of this bill, and I must say I never understood why trade barriers existed between the various provinces in Canada.

I may point out that I object to the wording of clause 9 which provides that:

> For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following:

It could be interpreted to mean that the federal government may intervene and impose retaliatory measures even when it is not a party to the dispute. Through this bill, Ottawa acquires a mechanism for imposing sanctions on the provinces. In fact, the federal government could impose all kinds of sanctions, including a reduction in transfer payments for provinces that do not abide by the agreement. This new intrusion by the federal government is unacceptable.

I said the Bloc Quebecois supports free trade both internally and internationally. I would like to comment briefly on NAFTA and continental free trade in the Americas.

At the summit meeting attended by presidents and government leaders in Miami, in December 1993, there was some discussion of this topic, and it was decided to expand NAFTA to include all countries in the three Americas in the largest free trade zone ever, from Alaska to Tierra del Fuego.

• (1130)

The first country to sign this free trade agreement after the United States, Canada and Mexico will be Chile, and I fully and strongly support the decision of Chile, my country of birth, to become a member of NAFTA. The Bloc Quebecois has done so as well. Everything was in place for Chile to become a member of NAFTA on January 1, 1996, but unfortunately, the fast–track legislation was not passed by the U.S. Congress, and there will be no quick negotiations as planned. It will take several months more before Chile can sign this agreement.

I would also like to say that, although I am in favour of free trade zones, including NAFTA, I am very critical of the agreement, especially its lack of a social dimension, although a parallel agreement on labour was adopted and a secretariat is starting to operate in Texas with officials from all three countries. Last March, I attended a conference in San Juan, Puerto Rico, to discuss the social aspects of NAFTA with participants from Mexico, Puerto Rico, the United States, Canada and Quebec. We noticed, as I do now, that unfortunately there has been very little debate in this Parliament and in Canada as a whole on the impact of NAFTA on workers. I found that unions do not play a role at all in the operation and administration of NAFTA.

Having lived in Europe for a number of years, I am familiar with the European integration process. I found that Europeans had more social concerns. Their treaty, for example, contains provision for the creation of a special fund to assist workers affected by the European common market; a social charter, containing principles and provisions protecting workers, and an economic and social council where employers and workers may meet to discuss European integration.

Unfortunately, NAFTA contains no provision for minimum working standards, except in three areas: minimum standards must be met in health and safety on the job, child labour is prohibited, and each country in NAFTA must comply with its minimum salary legislation. No standards are set, however, for the three countries. There is no standardization in either social or labour terms. Provision could have been made for the inclusion of international labour standards in NAFTA, such as the convention on the right to unionize, unrestricted collective bargaining and the right of association. NAFTA contains no provision on the free movement of labour and nothing to protect immigrant workers. International free trade agreements must contain a social element, just as this social element must be included in free trade or common market agreements.

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, the agreement on international trade came into effect on July 1. Bill C–88 is intended to make it possible for the federal government to comply fully with its obligations under the agreement. I therefore believe that it is important for the House to proceed expeditiously in its consideration of Bill C–88.

• (1135)

For years, business and private sector groups have complained to both the federal and provincial governments about domestic trade barriers and impediments to a free and open internal market. Numerous studies going back as far as the 1940 Rowell–Sirois commission have recognized the issue and documented the broad scope of the problem.

The Canadian Manufacturers' Association in 1991 estimated the cost associated with barriers and economic inefficiencies to be approximately $6.5 billion annually. The most recent Statistics Canada figures indicate that interprovincial exports of goods and services in 1990 were worth $141 billion annually and responsible directly or indirectly for 1.7 million jobs.

A recent study by the chamber of commerce underlined the fact that the Canadian internal market is the most interdependent of any area in the world. In agreeing to negotiate the agreement, Canadian governments recognized that how well our domestic economy works is key to how we will prosper as a nation and how we will compete in the international economy. An open domestic market and economy will allow Canadians and Canadian companies to strengthen their international competitiveness and develop new opportunities to grow and prosper. The alternative offers only an ultimately self–destructive

protectionism that benefits only a few special interests at the cost of the country as a whole.

When they agreed to negotiate the agreement on internal trade, the federal, provincial, and territorial governments all recognized and accepted the importance of working together in the national interest. In concluding the agreement, Canadian governments have demonstrated that they are prepared to work together, both now and in the future.

As the Minister of Industry has said in the House, the agreement is a consensual agreement. Some members opposite have criticized the agreement as inadequate and insufficient. The agreement may not be perfect, but it represents an improvement from where we were before. It reflects a consensus on the principle of an open and efficient national economy. It establishes a detailed rules framework for internal trade and it provides a consistent and defined process for preventing and resolving disputes that may arise over specific issues or measures.

All the parties have accepted to a greater or lesser degree disciplines that in the sectors covered will improve how the national economy functions in the future. It will be possible, indeed it is the government's intention, to work to improve the agreement in the future and to expand its scope and coverage. For the moment it is a start, a point from which to start to work. We can and we should build on that.

Some members have also criticized the government for not exercising its constitutional authority over interprovincial trade to open an internal market more forcibly. The national economy has become considerably more complex than it was when the constitutional powers of the different levels of governments were first agreed to in 1867. In the context of today's economy and modern Canadian federalism, the views of these critics are, frankly speaking, simplistic.

If anything is clear it is that a country operates most successfully when all levels of government work co–operatively in the national interest, not unilaterally and certainly not by fiat. Governments were not negotiating constitutional change in the agreement on internal trade. Rather, they were developing the basis of working together with their respective powers and responsibilities to make the national economy work more effectively and efficiently.

Unilateral action may be theoretically possible as a method to achieve the same ends. Some may consider it to be a desirable way of proceeding. However, it is simply not an effective or acceptable way to make Canadian federalism work.

Some members opposite have suggested that the government has a hidden agenda on Bill C–88, that it conceals a power grab and is intended to provide a means to force provinces to the will of the federal government. That is purely and simply wrong. The Minister of Industry has responded at length and in detail to those allegations. I will not dignify them with further comment. Those should preclude even the most obtuse interpretation of the bill's language.

• (1140)

Bill C–88 does not deal with the responsibilities of the provinces or provincial measures, only federal responsibilities and measures. It is intended only to make it possible for the federal government to comply fully with its obligations under the agreement and to play its part in making the agreement work.

Bill C–88 gives the government specific authority or makes changes to certain pieces of legislation to enable it to act in accordance with its obligations. It also changes some existing legislation to make it easier for provinces to comply with some of their specific obligations under the agreement.

The Minister of Industry has indicated in a response to his provincial counterparts and to Senator Roberge that he intends to propose one or two amendments to Bill C–88 when it is considered in committee. I expect those will remove the grounds for misinterpretation or misrepresentation that some have made of the government's intentions.

We should be clear in our understanding that Bill C–88 does not by itself legislate or give life to the agreement on internal trade. The agreement has already been signed by the parties—the federal, provincial, and territorial governments. When it came into effect July 1 all those governments became bound by the obligations they accepted when they signed the agreement.

Each government is responsible itself for complying with its obligations and for living up to its responsibilities under the agreement. At the annual premiers conference this summer the provincial premiers and territorial leaders renewed their commitment to the agreement and to removing barriers. Two provinces, Alberta and Newfoundland, have already passed their implementing legislation.

As I said earlier, I believe it is important that we on the federal side proceed expeditiously in our consideration of this legislation. The federal government has played a leading role in getting all governments to work together in the interests of all Canadians on international trade issues.

Bill C–88 does what is necessary to ensure the federal level of government will be able to continue to play its role in the co–operative intergovernmental process. We should not delay it further.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I want to speak for a few minutes on Bill C–88 and look at some of the allegations that have been made in previous debates by some members about

Bill C–88 and the unwarranted concerns those allegations may have engendered in other quarters.

The opposition's allegations about Bill C–88 stem from an inability or an obstinate unwillingness to understand the plain meaning of the text of the bill. The Minister of Industry responded in detail to those allegations in this House in May and in June. I will refer to some of the points that need repeating.

Only in rare cases would the federal government be a complainant in a dispute under the agreement on internal trade. If a dispute were resolved in favour of the federal government and if the province involved refused to comply with the impartial panel's findings, the federal government could withdraw benefits of equivalent effect.

Such retaliation would have to be in the same sector as the original violation or in another sector covered by the agreement. Retaliation could not involve—this is important—transfer payments or social programs because those things are not covered by the agreement.

Bill C–88 does not make the federal government the policeman of the agreement on internal trade, as the opposition mistakenly insists. Any careful reading of the headnotes to clause 9 of Bill C–88 and article 1710 of the agreement on internal trade, combined with a minimum of logical reasoning, immediately gainsays the wild allegations that have been made.

It is important to stress that Bill C–88 deals only with what the federal government must do to live up to its obligations under the internal trade agreement and nothing else. Notwithstanding that the concerns expressed were totally unwarranted and clearly tactically motivated, the Minister of Industry has spent some time in committee and in other places speaking to the amendments in Bill C–88.

• (1145)

I will reaffirm that to date, Alberta and Newfoundland have passed legislation to implement the agreement and to comply with their respective obligations under it. Since tabling Bill C–88 in the House on May 1, in the cold light of day the actual substance of the bill has proven to be uncontroversial and designed only to enable the federal government to comply with its obligations under the agreement on internal trade and to meet the negotiated commitments, both legal and moral, to the other parties to the agreement, that is, the provinces and the territories.

There is so much one can say in support of this bill. I want to stress that this straightforward consideration of the bill has been more or less reaffirmed in the discussions and debates which have taken place. It is important to note the urgency of what we are asking now. The passing of Bill C–88 is important to underscore the federal part in ensuring the agreement is implemented.

This is a historic piece of legislation. It will allow the federal government to continue to play a lead role in concert with the governments of the other parties to the agreement. It is also intended to implement the first comprehensive domestic trade agreement in Canada since the British North America Act in 1867.

In the 128 years since 1867 the Canadian economy has grown and evolved in ways never imagined by the fathers of Confederation. The federal government still has constitutional responsibility for interprovincial trade and commerce, but successive governments as a matter of policy have chosen to work co–operatively with the provinces to address internal trade problems.

Barriers and impediments to internal trade lead to the inefficient use of resources. They limit the ability of industry to take advantage of economies of scale and to maintain competitive market positions. The result is to reduce the competitiveness of Canadian business and to adversely affect the Canadian economy.

It is incumbent on all Canadian governments to work together to make the national economy work as effectively and efficiently as possible so that all Canadians can enjoy the benefits of strong economic development, growth and prosperity. I call on all members to look at this straightforward legislation which will provide the needed facility as we work together to provide the kind of environment needed by our businesses.

We have sought to work co–operatively. The whole process which produced the agreement is testament to that. Our approach has been one which speaks to the fact that we are a truly responsible Canadian government. As a truly responsible Canadian government we can take those working arrangements between provinces into the future. I call on hon. members to give their support.

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.

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.

• (1150)

And the bells having rung:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(7), the chief government whip, with the agreement of the whips of all recognized parties, has requested that the division on the question now before the House be deferred until Monday at 6 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

EXCISE TAX ACT

Hon. Michel Dupuy (for the Minister of Finance, Lib.) moved that Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, be read the third time and passed.

He said: Madam Speaker, I am delighted to introduce for third reading Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, a measure in support of Canada's magazine industry.

Canadian periodicals are a vital element of our cultural expression. They provide news and information, critical analysis, informed discourse and lively dialogue, all of which contribute to our sense of identity as Canadians.

In cultural terms, the Canadian magazine industry is a flourishing sector with over 1,300 titles available from over 1,000 publishers. The editorial pages of Canadian magazines contain ideas and information that are the page equivalent of 2,500 books per year.

[*Translation*]

Magazines reach specialized audiences not accessible to the other media, such as newspapers and television. They target new audiences and give them an opportunity to speak, thus creating a bond between readers who share similar ideas. Clearly, they offer very significant cultural advantages to a society as scattered and disparate as our own.

Canadian magazines also provide writers and artists with a means of expression. About 92 per cent of the editorial content of Canadian periodicals is produced by Canadian writers employed by these periodicals or working for them on a freelance basis. Canadians are also responsible for over 92 per cent of illustrations and photographs.

Canadians have access to a wide array of Canadian periodicals, from current affairs magazines like *L'Actualité* and *Maclean's*, to special interest publications in areas such as the arts, science and leisure, to general interest magazines aimed at a wide audience.

Some of these publications are academic in nature while others are low circulation magazines whose openness to experimentation in the arts and literature leads to cultural renewal.

The first Canadian periodicals were created in Nova Scotia at the end of the 18th century by immigrants from New England. The history of periodicals in Canada follows that of many writers, artists and merchants. It has led to the conception of innovative ideas, to the creation of original visual images, and to the emergence of new forms of cultural expression.

More importantly, the history of periodicals in Canada is also a political saga in which individual interests have survived in an environment dominated by foreign interests.

• (1155)

For the government, the challenge has always been to strike a balance between preserving Canada's cultural autonomy and allowing the free flow of ideas.

[*English*]

The factors that define the environment in which Canadian publishers compete for Canadian readers include: the impact of foreign magazines on the market; the relatively small size of the Canadian population; the difficulties and cost of distribution over our huge territory; the openness of Canadians to foreign cultural products; the effects of the cover prices of imported magazines on the Canadian price structure; news stand competition from foreign magazines; and the impact of overflow advertising on the potential advertising market in Canada.

In addition, today's tough financial and fiscal environment takes its toll. In 1992 for example, more than half of Canadian magazines had no operating profits. The average operating profit for the industry as a whole was only 2.36 per cent. The success of the Canadian magazine industry can be better described as cultural rather than financial. Canadian publishing ventures of all types have been sustained by the creativity of writers and publishers and the interest of readers.

Magazines must build and maintain their readership over the long term. Also essential to their survival are advertisers. Canadian magazines depend on advertising for 65 per cent of their revenue.

[*Translation*]

The government's policy concerning the Canadian magazine industry is to encourage Canadian businesses to advertise in Canadian periodicals and in periodicals whose content is original rather than recycled, and to help publishers reach their market.

Since 1965, two measures have helped inject advertising revenues into the Canadian magazine industry. These two measures are customs tariff 9958, which prohibits the importing of split run periodicals, and section 19 of the Income Tax Act, which permits the deduction of the costs of advertising directed at the Canadian market, provided this advertising is placed in Canadian editions of Canadian owned or controlled periodicals.

In April 1993, the arrival of *Sports Illustrated Canada* in our newsstands marked the beginning of a new way of dealing with the Canadian market for the American magazine industry.

[*English*]

Sports Illustrated Canada was able to sidestep tariff code 9958 by electronically transmitting the main editorial content from the United States to a printer in Canada instead of physically importing the split run edition into Canada. Domestic ads were substituted for foreign ads and some original content was added to the existing editorial content. Thus, *Sports Illustrated* Canada demonstrated that the tariff code was no longer completely effective in dealing with split runs.

This new development underscored the need to update the legislative measures in place to support this vital sector of our cultural industry. It has been asserted that Investment Canada Act guidelines announced in July 1993 effectively foreclosed the possibility of any further split runs in the Canadian market. These guidelines however, can only apply to businesses in Canada. As we have seen with *Sports Illustrated* Canada, the publisher does not need a place of business in Canada in order to publish split runs in our country. Hence, Bill C–103.

• (1200)

First, an amendment to the Excise Tax Act will impose an excise tax on split run editions of periodicals attributed in Canada.

Second, an amendment to section 19 of the Income Tax Act will add an anti–avoidance rule relating to the deductibility of advertising. This will ensure that newspapers and periodicals that purport to be Canadian are in fact Canadian owned and controlled.

These are measures that will level the playing field for the Canadian magazine industry. That is fair. It is our responsibility to ensure that the Canadian magazine industry can compete for ad dollars.

[*Translation*]

The task force on the Canadian magazine industry was set up because the *Sports Illustrated Canada* case had demonstrated that the existing legislation could be circumvented. And I would like to clarify an important point here.

The problem does not rest with the general idea of publishing a sports magazine in Canada. It has to do with advertising revenues. The fact that a split run edition of *Sports Illustrated Canada* was sold in our newsstands shows that split run editions can enter the Canadian advertising market in spite of the existing legislation.

The task force set about its task in April 1993. Its mandate was to find sound and practical ways to ensure that the federal policy of assistance to the Canadian magazine industry would remain effective.

Task force members had an extensive knowledge of and experience in the Canadian magazine industry. There were members from every region of the country, including advisors working for the advertising industry or the Consumers' Association of Canada, representatives of the Canadian magazine industry and international trade experts.

This group of highly competent individuals carried out their task superbly. Not only did they provide us with an in–depth and up–to–date analysis of the Canadian magazine industry, but they also demonstrated the need to update existing legislative instruments governing the Canadian magazine industry.

[*English*]

We have relied on the advice of the task force because it examined closely all possible options. For example, the task force concluded that split runs could lead to a possible loss of 40 per cent of the industry's advertising revenue. That is $200 million annually.

Fiscal concerns ruled out establishing an industrial support program of such magnitude. The proposed tax is the most reasonable and practical structural measure. At 80 per cent, the tax can effectively achieve its objective of encouraging original content.

The task force concluded that the adoption of an excise tax measure that encourages ad revenues to flow to periodicals containing original editorial content in magazines would be the best way to assist Canada's magazine industry in a manner consistent with our trade obligations. By promoting original content, the tax will also ensure that all publishers are competing on a more even footing for Canadian advertising revenue.

A number of questions and concerns have been raised during the debate on Bill C–103. I would like to take this opportunity to address some of them.

It has been suggested that Canadian magazine publishers should take advantage of the opportunities provided by the free trade agreement and sell into the United States. American popular culture is part of the every day life of Canadians and so the editorial content of American magazines is generally of interest to Canadians. The reverse is not true. Canadian popular culture and Canadian issues are not part of the every day life of Americans.

• (1205)

To succeed in the United States, Canadian magazines would have to change their editorial content to such an extent they would no longer be Canadian magazines.

The question has been raised whether the proposed excise tax is a valid use of the federal taxation power. Let me assure the House that Bill C–103 is a valid exercise of the federal taxation power. The measure is of general application, since it will apply

to any split run edition distributed in Canada. Tax measures are not always solely for the purpose of raising revenue. Tax measures may also be used for other economic and social objectives.

Examples are the tax treatments of RRSP contributions and the child tax benefits.

[*Translation*]

Finally, to those who criticize such a tax because of its discriminatory nature, I say that this tax measure would apply to any split run edition, whether produced by a Canadian publisher or a foreign one.

With Bill C–103, the government's objective is not to limit access to foreign magazines, but to preserve a market in which Canadian publications can do well in our country and continue to be sold alongside foreign magazines.

The federal policy of supporting the Canadian magazine industry has been in place for a long time and remains unchanged. In fact, Bill C–103 reinforces that policy by adapting it to the new reality. This legislation will enable the industry to meet the challenges created by technological changes, such as those which have resulted in the split run edition phenomenon in Canada.

An open and stable structure for transborder exchanges is one of the greatest assets for our country. In a huge and diversified world market, with globalization increasingly prevalent, our culture allows us to be different from the other countries. As a government, the challenge is, as always, to maintain efficient policies and policy instruments that will promote cultural development. We must also seek to achieve a balance between the sometimes competing interests of our foreign trade, on the one hand, and the preservation of our cultural identity, on the other.

[*English*]

Bill C–103 meets those important objectives. Canadians value who they are as a people and as a country. They want and deserve access to cultural products that mirror the Canadian experience and outlook, to give Canadians what they want and deserve, means ensuring that our cultural industries remain healthy.

It is not enough to say, for example, that the circulation of the top Canadian magazines has increased while the circulation of the top U.S. magazines in Canada has decreased. The reality is that Canada's top magazines are up against the combined force of the much larger number of American magazines in circulation.

In conclusion, the 1970s and the 1980s saw an unprecedented explosion of cultural activity which produced a broad range of Canadian artistic products. During this time Canadians continued to define themselves and their values in a uniquely Canadian way.

[*Translation*]

The federal government has taken several measures to increase the share of the internal market held by Canadian cultural products, and to improve the ability of Canadian artists and cultural industries to create and market their products in our country. In the nineties, the Canadian cultural policy expanded, so as to include many new components. This complexity is the result of market globalization, as well as the extraordinary development of our artistic and cultural activities.

• (1210)

The main objective of our cultural policy still is to make sure that Canadians have access to Canadian products in order for them to share common values and symbols and continue to develop a cultural identity fitting their image.

Bill C–103 is an extension of our cultural policy. Even if the challenges are many, our track record shows that we can not only meet them but do an excellent job of it.

[*English*]

I will conclude with a quote from the report of the task force on the Canadian magazine industry. "Magazines help foster in Canadians a sense of ourselves. They enable us to see ourselves as no others see us. They also enable us to view the rest of the world from a Canadian standpoint. They are the thread which binds together the fibres of our nation".

I urge my colleagues to support Bill C–103 at third reading.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, today we are debating, at third reading, Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act. On behalf of the Bloc Quebecois, I rise today to reiterate our support of this bill, which is basically aimed at putting an end to the distribution of split run editions in Canada and at strengthening the provision granting tax deductions to Canadian companies advertising in Canadian newspapers and magazines.

For the benefit of our listeners, I should add that a split run edition is an edition in which more than 20 per cent of the editorial content is of foreign origin.

It is important to note that this bill was made necessary by the government's lack of action to take the required steps to ban split run editions in Canada.

In 1993, Time Warner advised the Canadian government that it intended to distribute a split run edition of *Sports Illustrated* in Canada. As I said in my September 25 speech, instead of acting, the government chose to appoint a task force to study the issue. *Sports Illustrated* went ahead with its plan unhindered and with the full knowledge of the government.

Time Warner simply decided to electronically send the editorial content of its American magazine to Canada. It then sold advertisement to Canadian companies, and printed and distributed its magazine in Canada. Therefore, dumping advertising was possible for *Sports Illustrated* because its domestic market already covered its production costs. It could sell ads much cheaper and undermine the magazine industry in Quebec and Canada.

However, and I want to be clear on this point, that measure is not aimed only at *Sports Illustrated*. In fact, it became necessary because *Sports Illustrated* was the first magazine to circumvent the intent of the Canadian law. I know, and it was said repeatedly at the finance committee, that other businesses are only waiting for a slight bending on the part of the Canadian legislators to do exactly what *Sports Illustrated* did, that is transfer some editorial content to Canada and practise advertisement dumping.

I would also like to remind you that this bill was requested by representatives of the magazine industry in Quebec and Canada mainly for two reasons: first, because the industry could not have grown without the proper protection measures and second, because there is no financial security in that sector of the cultural industry.

For example, at the finance committee, Mr. Jean Paré, editor of *L'actualité* and representative of the Association québécoise des éditeurs de magazines, when speaking about the impact of the measures implemented by Canada to protect the Canadian magazine industry, told the committee that most of these magazines would not exist without the measures that successive federal governments have implemented over the last 30 years to level the playing field for Canadian businesses in the international market and ensure fair competition.

• (1215)

"The proof of our argument is that, before this legislation was adopted, our industry was nonexistent. The magazine I represent will be just 20 years old in a few months. When it was started up, only three of the 57 periodicals I represent today were in existence. The combined annual circulation of those in existence at that time was a mere six million copies. Today, our 57 members have a total of 80 million annual circulation; with the nonmembers added in, the figure is 138 million. The legislation adopted 25 years ago triggered investment in these businesses. The magazine industry in English Canada has followed almost the same path."

In his presentation to the finance committee, Mr. Paré indicated that, at first sight, one might think that these figures indicate that the magazine sector is a healthy one, but this is not the case. In fact, his statement to the Committee confirmed the conclusions of the task force on the Canadian periodical industry. Mr. Paré said:

"One might think that this is a robust and flourishing sector of the communications industry. Not in the least. Nine out of ten of these magazines are not cost–effective and are in existence solely because the publisher has a few profitable titles. This minority of profitable magazines, moreover, has to settle for profits that, on the average, barely exceed 10 per cent, far from what is considered a minimum in the US. Between 60 per cent and 70 per cent of these magazines' revenues come from advertising and a 10 per cent cut in advertising would probably wipe out the entire Canadian magazine industry".

Sports Illustrated also testified before the finance committee. During its presentation, the company stated that Bill C–103 was unfair because it specifically targeted *Sports Illustrated*.

In fact, it is true that the bill calls for imposition of an 80 per cent excise tax on the advertising revenues of split run magazines, and that this measure must be applied to *Sports Illustrated*. The bill states that this measure does not apply to those split run periodicals which were already published and distributed in Canada as at March 26, 1993, and *Sports Illustrated* began its Canadian distribution on April 1, 1993.

Contrary to what Time Warner, the publishers of *Sports Illustrated*, would have us believe, this measure is not solely aimed at its magazine. In his presentation to the finance committee, Mr. Paré described as follows the competition Quebec magazines might face if Bill C–103 were not passed by this House, and I quote:

"The publishing giants are not all American. They do not publish in English alone. The competition comes from German, French and British companies as well. These gigantic concerns, which may own hundreds of different magazines, the smallest with a circulation that sometimes exceeds that of the biggest Canadian magazines, are increasingly publishing in all languages in compact editions with adapted content, in order to skim off advertising revenue in as many markets as possible. These international publishers are now discovering Canada".

So Bill C–103 is not exclusively aimed at *Sports Illustrated*, as Time Warner would have us believe, but also at all the other magazine publishers who are waiting to see what will happen to this attempt by an American magazine to enter the Canadian market.

In its presentation to the finance committee, *Sports Illustrated* insisted that it participated in Canadian life, first by printing stories on Canadian teams and athletes like the Toronto Blue Jays and Elvis Stojko, and second, by creating jobs in Canada. In this respect the magazine's representatives stated, and I quote:

"—the company saw this as an opportunity to create jobs for Canadians in printing and distribution, and assignment opportunities for Canadian journalists and sports photographers".

• (1220)

According to our information, however, Canadian content in *Sports Illustrated* is minimal. Furthermore, it seems that the stories in *Sports Illustrated* that feature Canadian athletes would have been included in any event in the U.S. version of the magazine. Elvis Stojko may be a Canadian, but he also won the gold for figure skating, which makes him an international star, so it is not surprising he would be featured in *Sports Illustrated*. In fact, it would be surprising if *Sports Illustrated* did not have a story on Elvis Stojko.

As for job creation, I am told that the contribution of *Sports Illustrated* in this area is rather meagre. With both versions of *Sports Illustrated* being produced entirely in the New York, Canada's editorial contribution was to all intents and purposes nil. As to the job of printing, one printer estimates it takes a maximum of nine hours press time to print an issue of *Sports Illustrated*. We really have to ask ourselves just how much *Sports Illustrated* contributes to Canadian culture and employment.

On the other hand, *Sports Illustrated* clearly creams off the advertising market by selling its advertising space at cut prices. In its brief to the Standing Committee on Finance, the magazine announced its intention to change from a monthly format to a weekly one, an announcement that will hardly be reassuring for the Canadian industry, if the government does not act diligently.

This legislative measure is important for the magazine industry. I would, however, like to take this opportunity today to remind the government that it must also implement the other measures put forward by the task force on the magazine industry.

They are: first, freeze the funds set aside for the postal subsidy program at their 1995 level and second, remove the GST from all reading materials. The Liberal Party of Canada made clear and formal commitments in this regard. It passed a resolution to the effect that a Liberal government would reaffirm the historical principle of not taxing the publishing industry and would remove the goods and services tax, the GST, from all reading materials. We are still waiting for these promises to take effect.

Third, the Government of Canada should be obliged and the provincial governments encouraged to place advertising messages to the people of Canada in Canadian magazines only. Fourth, the Investment Canada Act should be amended to ensure that the Department of Canadian Heritage vets all measures approved by Investment Canada concerning periodicals and magazines.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to address Bill C–103.

The real question governments have to ask themselves when they are creating legislation that deals with issues like cultural trade policy is who is the real guardian of cultural trade or culture in Canada. We have to ask ourselves who is the real protector of consumers. Is it the government or is it Canadians themselves? Those are the critical issues.

I will not talk today about the technical aspects of this piece of legislation. We have done that in committee and over the last several days in other speeches. I will not get into that, but I want to talk a lot about the principle that surrounds who determines what culture is, which culture is worth protecting and why culture should be protected at all. That is the critical issue underlying the debate today. We are having a technical debate about this piece of legislation but it goes deeper than that. It goes right down to who is the guardian of culture in Canada. We can even extend that and say that it applies to the debate we have had on what is going on in Quebec, the referendum campaign, and who makes determinations about who knows best what is culture and that kind of thing.

• (1225)

I will talk about that matter over the course of my speech from a couple of different perspectives. I will talk about it from the cultural perspective and from the economic perspective. Again the question is: Who knows better what is best for the ordinary consumer of cultural and the protection of culture and who knows best for the ordinary consumer, the ordinary person who pays taxes? I would argue in both cases that ideally it is individuals themselves and failing that it is lower levels of government.

First I will talk about the economic issues. The minister spoke at great length about how it was important to protect the magazine industry in Canada and that we needed the legislation to do it. What about all the other people affected by the legislation? It is not just the magazine industry that has a stake in it. Certainly advertisers use magazines as a vehicle to get their message out to the consumers. What effect will the legislation have on them?

I will give an example of how the legislation harms the ordinary advertiser and why that is a problem. A business somewhere in Ontario is selling computers and using *Sports Illustrated* to get its message out because it had the perfect demographics and the right audience. All of a sudden it will be denied that vehicle. However its competitor, IBM out of the U.S., will not be denied that vehicle. It will be able to use SI's North American circulation to deliver that message against me. In doing that it will have an unfair competitive advantage.

It is not the fault of the business in Ontario that is trying to sell computers. It is the fault of the government that is denying *Sports Illustrated* the chance to come into Canada and sell advertising to businesses like that. These products have a value to the people who use them. That is why they spend money on them.

We are denying that business a chance to use that vehicle to capture its own market. We may have a situation where IBM is coming in and is dominant in Canada because it has access to very cheap advertising that the business from somewhere in Ontario does not have. We are discriminating against the advertisers, the businesses that are employers of people and pay taxes to the Government of Canada. We are denying them that chance. That is one reason the legislation is wrong.

The hon. minister talked about the fact that there are many Canadian magazines and people have access to them. What about the magazines we do not have access to because of the legislation? We do not know which ones they are. One of the theories of economics is that we never see the sometimes unintended, invisible results of economic policies.

What about those who cannot afford the subscription rates? What about those magazines? What about the ones that use the advertising revenue to get a wider distribution so that they can charge more for their advertising? We will never hear about those magazines. They will never come here because they cannot support their subscription rates with more advertising rates. We are denied access to those. We will never know what we are missing because we will never see those magazines.

The same argument goes to the price that we pay for the ones that get here.

• (1230)

It is well known that prices are much higher in Canada for American or foreign magazines than they would be in their country of origin. I would argue that the reason is that the subscription price cannot be underwitten by the advertising revenues. Therefore we again have a situation in which the consumers are taking it in the ear so that we can protect a certain privileged class, a group of people who publish magazines in this country and are lucky enough to enjoy the protection of the Canadian government.

In all these ways, consumers and advertisers are paying a high price for this government's policy. I point out again that in doing that we are denying people the chance to take their disposable income and spend it in other areas and cause the economy to grow and create jobs, the multiplier effect, et cetera. That is precisely how it works when there is free trade.

Before I talk about free trade in general I want to talk for a moment about the idea of an 80 per cent tax and about the principles on which the Canadian magazine industry has fought this issue. To find out where those principles come from we have to go back to an earlier debate, to the debate about the GST.

There was an enlightening article in the Montreal *Gazette* on Monday, October 30, which I would like to quote. I think it puts the argument of the Canadian magazine industry into perspective and helps us to understand where they are coming from. This is from an article by William Watson, economic affairs editor of the Montreal *Gazette*:

> Those who support the law, i.e., the Canadian magazine industry, argue the Americans have an unfair advantage. Their U.S. stories have already been written and therefore cost the split run virtually nothing. By contrast, editorial content in all Canadian magazines is all new for the Canadian market, so the playing field is uneven.
>
> Well, the playing field for bananas and oranges is uneven too: tropical countries produce them much more cheaply than we do, but we do not insist Canadian fruit lovers buy Canadian-made oranges and bananas. If Canadian readers prefer cheaper U.S. editorial content to more expensive Canadian editorial content, why should Ottawa interfere with their choice?
>
> When the GST was first being debated, the Canadian publishing industry ran an ad campaign, the gist of which was that other countries used to burn books, we just tax them. But now the very same industry is pushing an 80 per cent tax on one form of reading material.
>
> Burning books is OK, I guess, so long as the books are American.

A very good argument is made in this article against the argument the Canadian magazine industry was using. They also make a very cogent argument for individual Canadians to be the protectors of culture. They are saying that individual Canadians should be the guardians of culture in this country.

It is the old cliché that beauty is in the eye of the beholder. While the Government of Canada may think something is not very good editorial comment or content and it may somehow be un–Canadian, other people may appreciate it. It enriches their lives, as reading always does. They find it fulfilling. That is why they read it.

By denying some of these magazines a chance to earn revenue by picking up advertisers in this country, we are in some cases denying them the chance to actually send their magazines into this country. This article absolutely explodes the argument of the Canadian magazine publishing industry, going back to the GST debate, about the GST being a form of book burning then, but when there is an 80 per cent tax on *Sports Illustrated* it is somehow different.

I really do think this argument is all about who should be the real guardians of culture in this country. I could go on about that in more detail, but I want to get on to the whole idea of free trade and something I talked about yesterday. It makes the point and so I will raise it again.

• (1235)

I remember from the free trade debate in 1988 all the articles and various newspaper, video, and TV clips that we saw about the effect free trade was going to have on the wine industry in Canada. I bet a lot of people remember that. I remember how people said it was going to devastate grape growers and the wine industry in Canada. There were all kinds of protests. We saw them in the Okanagan and also in southern Ontario.

At the end of the day, completely the opposite was the case. Not only did the wine industry thrive, it is now acknowledged around the world as one of the finest wine industries in the world. We have won all kinds of rewards as a result of the competition free trade brought in, which forced wine growers to become efficient and among the best in the world.

The same happens in every sector when we allow it to happen. It gets back to this whole argument about who decides what is right for the country. Should it be the government or vested interests? Should it be particular interests, which of course will never turn down protection from the government? They will invite it. However, at the end of the day, what is best for consumers? Consumers end up with a cheaper product. They end up with more selection. They end up with the highest quality. Should that not be the standard we strive for? That is exactly what we get when we have free trade, even in the cultural industries.

Again I say that Canadians themselves should be the guardians and protectors of their own culture. They are more than capable of doing that. They are very sophisticated people. They can make those decisions for themselves. I want to point to some examples where I think the cultural industry is doing extremely well, where it does compete in the world extremely well.

Before I do that I want to touch on an issue the minister raised. He talked about general interest magazines being of interest to Canadians when they come from the United States but not necessarily the other way around. In other words, Americans may not be very interested in general interest magazines that come from Canada. I do not really disagree with that; It is probably true. We could make some arguments that if there are retired Canadian people in the States there may be some interest in these general interest magazines. That is probably true, but that is really not the point.

I take the minister's point. However, what about all the specialty magazines? What about, for instance, a golf magazine? Why does a golf magazine have to come from the United States? Why cannot golf magazines come from Canada and be exported into the United States? For crying out loud, there is no difference in the game from one country to the other. In fact we have Canadian golfers on the professional golf tour. Why can it not work that way?

We had a witness before us who I guess was representing the interests of the Canadian magazine industry, but that person acknowledged that their magazine has about 30 per cent of their circulation into the United States. Obviously that is not something they would want to lose. It helps them to make a profit and strengthens their industry.

I would argue that if we want to strengthen the industries then we cannot rely on the tiny population, relatively speaking, that Canada has compared to the United States or the rest of the world. To further make the point, when we had a member of the Quebec magazine publishing industry before us he talked about the threat Quebec magazines faced if split run publishing was allowed in Canada. He talked about the possibility of all these magazines from other countries in the world coming in. He was not so worried about the U.S., of course, because it did not publish that often in French, but the big competitor was France. He talked specifically about France and actually Germany. He also talked about the Swedes, the Swiss, the Belgians being a threat. That struck me as very odd, because here are tiny countries, smaller in some cases than Canada, and they are a threat to Canada with their publishing industry. That struck me as extremely odd.

• (1240)

If a person thinks about it, what they have realized and what they are doing is saying they cannot survive, probably the French juggernaut as well, by remaining insular, by looking inward. They have to take their product and market it to the rest of the world. They were trying to do that in Quebec and no doubt in other places around the world. That is how they were not only surviving but thriving.

To me that makes eminent sense. If one has a small market, the best way to turn the tables on the guys who are using the economy of scale on the person is to turn around and use it back on them, to use one's editorial comment and mass produce it to get into other countries around the world. In specialty magazines that can be done. We are seeing it to some degree through Canadian magazines already in the United States, but there is certainly a tremendous market to keep doing it or there is a tremendous market there and tremendous potential to keep expanding.

If we put impediments in place that prevent us from doing that, like the clause in the split run bill, Bill C–103, which does not allow Canadian magazines—this is unbelievable—that have a circulation in the United States that is less than it is in Canada to send back the editorial content via split run to Canada, then we are putting up an impediment that prevents our magazine industry from becoming bigger and from going out into these other countries and really making it more viable over the long run. I do not understand why in the world we are doing that.

We had people before the committee and one of the magazines doing that is *Harrowsmith*, a Canadian magazine that has a circulation in the United States. It is publishing out of New York and sending stuff back by split run to Canada and using the same content, but it is a Canadian magazine. Those people voluntarily said that if this is to be an argument used against this legislation, they will quit doing split run because at the end of the day it is in their best interest. That is not an argument, in my judgment. It is fine for them to say that; they are established down there now. But what about the guys who want to go down there and get established by having, for instance, a specialty magazine that appeals to Canadians and to Americans and to anybody who speaks the English language? Why are we standing in the way of that? That is the way to make our industry viable.

From what I have seen in the book publishing industry, we have some of the best writers in the world. We can produce editorial content that is better than anybody else's in the world. We have proven that before. Look at the book publishing industry and at how widely read Canadian books are around the world and you will know we are producers of great writers. We can do that. The same argument applies when we are talking about French writers. We could produce some of the best editorial content in the world, but we are being denied the right to do that, partially through this split run clause in the legislation.

It is more than that. It is the attitude. We are saying do not let the Americans in and we will not go in there. It is kind of a saw–off. It is crazy when we have so much to share with the rest of the world, the best artists and writers and creators of all kinds in this country. It is absolutely crazy that we are doing that.

Yesterday I mentioned this, but I will bring up again the Canadian Association of Broadcasters convention I attended on the weekend. The minister was there as well and spoke to the convention. What I want to talk about is how Canadian broadcasters have really gone out and made a success of themselves around the world because they have not been afraid to use the economies of scale, taking Canadian product and using it across the world.

• (1245)

One of the best examples of this is CanWest Global of Winnipeg which is huge in New Zealand and in Australia. Another very good example is Power Corp. which is now very big in Europe. I understand it is the biggest broadcaster in Europe and is doing extremely well. Another example is Electrohome Ltd. and there are others.

These companies take the programming they produce here and to take full advantage of the economies of scale they have marketed around the world. They have done extremely well. It means jobs for Canadian film makers, jobs for Canadian actors, jobs for Canadian screenwriters. Already we have the beginnings of a cultural industry which is doing extremely well in so far as it is allowed to compete freely in the world.

We should not be looking inward. I go back to what I started with, the real guardians of Canadian culture cannot be the government. It cannot make those determinations. There are too many different opinions out there. The real guardians of Canadian culture have to be individual people. People are very intelligent. They can make these determinations. They do not need the government dragging them around by the nose telling them that this is worthy of protection. That is crazy. We are too grown up for that.

Another issue needs to be raised and that is the whole issue of what may happen if we become too protectionist of our markets. It was not very long ago—the minister was involved in this—that we ran into precisely that type of problem when we decided to kick CMT out of Canada. CMT was Country Music Television, a video network, which had been in Canada for several years. Then a Canadian service came on and CMT was thrown out. It caused a rift between us and the Americans.

We are an exporting country. I hate to see that market close down for Canadian producers of culture because we make so much money from it. It enables those people to survive. What we saw in the CMT incident was the possibility that we were going to have the market closed off to us for our cultural exports. That is extremely dangerous. A good example of its importance is to look at how fast the private sector cultural industries have grown in the last few years.

As the subsidies from government diminish—the minister will certainly acknowledge they have diminished over the years—the private sector cultural industries have boomed. First, they need neither cultural protection nor subsidization. Second, they have been successful and are continuing to be successful at exporting their products to the United States and other countries around the world which has certainly meant substantial growth in that sector. Returns were around $16 billion in 1993 and were up to $22 billion in 1994, about 3.7 per cent of the GDP. This sector is actually growing very quickly which I believe bodes well. I will discuss this in more detail shortly.

Protectionism is a very dangerous route to go if we depend on other markets to make our cultural industries profitable. If they are closed down we are in big trouble.

I want to talk for a moment about what I see as the way to make cultural industries prosper and really do well in this country. I touched on the fact that private sector cultural industries are growing like crazy due to a couple of reasons. One of the reasons is that as the population ages people are spending more of their money on cultural products like movies, going to the theatre, books, magazines and so on. In a speech in the House not too long ago, the minister pointed out that as disposable income has increased over the years we have seen the Canadian

magazine industry do extremely well. Having more disposable income is the real key.

• (1250)

That brings us back to the whole debate about the deficit, the debt and taxes. I hate to mention it again. I mention it every time I speak but it is a huge cloud that hangs over our heads. The debt in this country is $560 billion. Yesterday we found out that 34 cents, or one–third, of every tax dollar goes toward interest on the debt. That is an unbelievable amount of money.

Can members imagine if we did not have to pay that, if we could keep it in our pockets, how much more people could purchase? Cultural industries would absolutely boom. We would not even be having this discussion about protecting the nation's cultural industries. They would absolutely explode.

In my judgment, we should not be wasting all this bureaucracy and people's valuable time to come up with more regulation and more protection. What we should be doing is beating down the debt, beating down the deficit, getting to a point where we can keep more money in our pockets. Canadians will go out and support magazines, not because they are Canadian but because they speak to us about things we are interested in.

As I said in committee, as long as politicians are wasting money in Ottawa and as long as there is crime in the streets, people are going to want to know what is going on in Ottawa, in their government and in their country.

The best way to do that is to find out from the people who publish Canadian magazines. Canadian magazines already have a huge head start. They already have the history, and the people running them who understand the country. That is a huge advantage over anything that comes in from outside the country.

If they have disposable income, Canadians will make those decisions themselves. Those people are the true protectors of Canadian culture. They will make those decisions for themselves.

Canadians over the years have demonstrated time and time again, better than government, that they can make decisions about important issues far better than politicians in Ottawa can, far better than the bureaucrats can, far better even than the provincial governments and even municipal governments can. I argue that those two levels of government make better decisions than the federal government. Ultimately people have displayed that they are more than mature enough to make excellent decisions on behalf of themselves, their communities and their families.

What this whole debate has been about, if one just sort of looks past all the technical issues and the details, is who should decide what is best for me. Should it be the government or should it be me? My colleagues and I would argue and a whole bunch of Canadians would argue that they should make the decision for themselves. Let us get away from the idea that the government knows best because people do not buy into that any more. Let us get away from the idea that one man or a cabinet can decide for 30 million people and all the different groups that make up those 30 million what is culture, what is art.

It is impossible. It is crazy. We have a chance to roll that tide back by voting against this legislation. I encourage all members to take a close look at the principles behind this legislation and to ask themselves who the guardians should be of Canadian culture. Should it be the Government of Canada, bureaucracies or should it be people themselves?

At the end of the day in their heart of hearts, they will admit that the people are more than capable of making those decisions.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I would like to bring coherence to this debate and to speak to Bill C–103. Bill C–103 will play a major role in maintaining a vibrant and flourishing Canadian magazine industry. I want to use my time to present a broader perspective of the government's ongoing commitment to this industry.

• (1255)

This bill should be understood in the context of a long–established tradition of government support to the Canadian magazine industry as well as the industry's contribution to Canada's economy. More important, in a country where natural geography makes communication difficult, magazines play a key unifying role.

Canadian periodicals are an essential medium of cultural expression for Canadians. They serve as channels for conveying Canadian ideas, information and values. They are an integral part of the process whereby Canadians define themselves as a nation.

Beyond the direct social and cultural impact of the Canadian magazine industry, there are sizeable indirect effects which contribute to the smooth functioning of the Canadian economy.

Unfortunately Canadian magazines are confronted with a series of unique challenges: massive penetration of the Canadian market by imported magazines; the relatively small size of the Canadian population and its dispersion over vast territory; the openness of Canadians to foreign cultural products; the effect of the cover prices of imported magazines on the Canadian price structure; and the impact of overflow advertising on the potential advertising market in Canada.

Even if the magazine industry has flourished culturally with over 1,300 titles, its financial position is fragile with overall pre–tax profits of less than 6 per cent of revenues of $795 million in 1993–94.

The Canadian government has supported the domestic magazine industry and will continue to do so for many reasons. The principal reason is the importance that Canadians place on having a means of expressing their unique identity and the difficult and challenging environment the Canadian magazine industry faces.

The need for structural measures of support for the Canadian magazine industry has long been recognized by successive Canadian governments. Over the years a number of policy and program instruments have been designed and put into place to help ensure the development of the Canadian magazine industry while not restricting the sale of imported periodicals in Canada.

My friends across the way who speak to this issue are somehow misguided. We are doing much collectively to provide a dynamic and original culture which nurtures our national identity. Questions such as, what is culture, or do we have a single overarching cultural policy, may be good subjects for discussion. The truth is that cultural challenges in Canada have always been addressed by specific cultural policies put together by governments.

If we look at cultural policy goals pursued by consecutive or successive Canadian governments over more than half a century, their consistency is remarkable. Specific policy objectives developed by a succession of governments clearly reflected the reality of an original Canadian culture. Uppermost among these objectives is Canadian ownership and control of cultural enterprises, a made in Canada broadcasting system, the protection of sovereignty in the arts, cultural expression, the creation of an environment enabling cultural industries to sustain themselves and the recognition on the world stage of Canada's artistic and cultural accomplishments. Our global cultural policy was designed to promote the development of a diverse yet distinctive Canadian culture fostering mutual understanding, identity and quality of life.

• (1300)

Successive governments have recognized that Canada with its two official languages benefits from easy access to two of the greatest cultures in the world. The presence of our First Nations peoples and the diverse origins of our population have been justifiably looked upon as a fertile source of inspiration.

Canadian governments have also understood the influence of the United States on Canada's culture and identity. On one hand the fabric of our society can be enriched by our direct access to American cultural products and means of expression. On the other hand, this same access can weaken our ability to create and express ourselves in a distinctly Canadian fashion in our own country.

Canadian governments could see the evidence that Canadians do want Canadian cultural products and that Canadians are prepared to pay a price for them. Canadians also accept that government has a role in striking the right balance between supports to Canadian cultural development and access to other cultures. In short, Canadian governments are involved in cultural policy because the public interest is at stake.

Perhaps more than anything else, Canadian culture is vulnerable. We said in the red book:

> 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 revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development.

Canadian culture is also the substance and the reflection of who we are and what we form as a people. Our landscape is part of it; our tastes, our languages, our pastimes, the way we view the world, these all enter in. Our culture and our life as a nation are intertwined. As the reflection of who we are, our cultural expression becomes the aggregate of our voices and creative energies. For those reasons alone, Canada's cultural development and the quality of its cultural expression are worthy of government's attention.

My Reform friend said governments should stay out, but we know that Canadians are enthusiastic about the state of the arts in Canada and the involvement of all governments in that state of the arts. The quality and abundance of creative work and performance have never been higher. My friend noted that. Strength and certainty are now evident in the work of our writers, our artists, our performers. We celebrate their achievements as well as their commitment, a commitment after all to ourselves.

As a society we wish to reward our artists. They need not only our interest and attention, but also material conditions within which they can engage in their work and their art. In so doing, they can offer all of us a better chance to reach our own potential as a people and as individuals. I have many friends in the arts world and I know of individuals who are struggling to keep body and soul together and bread on the table.

Culture is a complex whole. It includes the knowledge, beliefs, art, morals, laws, customs and all other capabilities and habits acquired by the members of a society. Like other fundamental concepts, culture can only be understood by a familiarity with the realities it summarizes. It may be difficult to define American, French or Canadian culture, but the artistic products of those cultures, their books, magazines and films for example, can readily reflect and inform the cultures of which they are products.

• (1305)

Canadians are avid consumers of cultural products. After the Dutch, we are the second highest per capita purchasers of records and tapes in the world. We are also among the world's great film and movie goers.

Canadian culture flourishes in our major cities. It thrives in every hamlet and draws strength from every region. It comes from passion, talent, commitment and hard work. The wonder of Canadian culture in all its diversity is its ability to expand our horizons as individuals and to bring us together as human beings and as a society. Our culture, our Canadian, diverse, original culture, is part of our identity and greatness. We must stand on guard for it. It is the soul of our country.

Our bookstores, our news stands, our record shops, cinemas and television screens testify to Canada's position as one of the greatest importers of cultural products in the world. We enjoy our access to other cultures. However, we repeatedly ask ourselves whether there should not be a more normal balance between Canadian perspectives and those from elsewhere. This is the crux of the bill.

Together, our arts and cultural industries contribute over $24 billion to the gross domestic product or 4 per cent of the GDP of the entire economy, and important for us, 660,000 jobs. This did not happen by accident. This did not happen, as our friend across the way would say, by letting the individuals do it. It was the result of a combination of the desire and determination of successive governments and the great talent which exists in our country.

The challenges facing the Canadian market for cultural content are growing increasingly complex every day. There can be little doubt that today's reality of fiscal restraint will continue to affect our future activities. Policy priorities change to take account of new challenges, world trends and windows of opportunity. The goals to be met by those priorities however should not change. The scene changes, the values do not.

This is important work, work which government has been doing successfully for years through such policy tools as public cultural institutions, support measures, and legislation and regulation. In fact, the development of legislative and regulatory measures has been particularly effective in promoting Canadian cultural sovereignty. Few measures have been more efficient than those dealing with Canadian content.

Canada has not been the only country to implement such legislative and regulatory measures. For example, specific restrictions are common for publishing, film and videos in countries like Argentina, Brazil, France, Mexico and Australia. Need I go on?

Venezuela has specific policies and requirements for newspapers and periodical publishing. In film and video, France, India, Indonesia, Mexico, the Philippines, Portugal, Spain and Switzerland maintain varying degrees of restrictions on inward investment. Mexico maintains limitations in film and video, broadcasting and periodical publishing. Brazil has grouped television, radio and the print media as one of the strategic industries to which it applies the same foreign investment restrictions.

We cannot go by a rule which says the one with the deepest pockets wins. As a market, Canada is one–tenth the size of the United States. The cost of producing a film or television program is the same in Canada as it is in the U.S. Our ability to recover those costs is one–tenth.

I must emphasize that it is never an issue of keeping other products out. That is not the intent of this bill. Canada is the most open country when it comes to enjoying the cultural products of other countries. The issue is ensuring the development and distribution of Canadian content and ensuring that Canadians know it is there and they have access to it.

• (1310)

The Canadian government has been consistent. Its magazine policy has not changed. I will say this for the information of the Reform members who spoke against this, with these amendments to the Excise Tax Act and the Income Tax Act, the federal government is modernizing its policy instruments. In this way, the entire range of government policy and program instruments can better achieve the overall objective of a vital and flourishing Canadian magazine industry.

Those in the industry are depending on those of us in this House to ensure that Bill C–103 gets swift passage.

[*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: On division.

(Motion agreed to, bill read the third time and passed.)

* * *

[*English*]

DEPARTMENT OF HEALTH ACT

Hon. Diane Marleau (Minister of Health, Lib.) moved that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I rise with great pleasure to speak in support of Bill C–95, a bill to create Canada's Department of Health.

I want to say a word about the referendum this week. Like many members of this House, I am pleased with the result, but I do not want to downplay the challenges that lie ahead of us. This government came into power with an agenda for change that it will implement appropriately to improve efficiencies and to create better bottom up management that recognizes the region-

al differences and specific needs of this vast country of ours. We remain committed to change, for Quebec and for all of Canada.

Since taking office, we have embarked on reforms to make the country work better, to eliminate duplication and top heavy administration and to ensure that services are delivered by the level of government that is most appropriate and best able to do the job. Let me talk about some of these changes.

We have signed agreements with nine provinces to reduce federal–provincial duplications. We have signed agreements with all provinces to end internal trade barriers in Canada and to promote efficient movement of goods and services across the country.

In keeping with our commitment to forge partnerships with all levels of government and the private sector, an unprecedented team Canada trade mission with nine premiers and many municipal leaders went to China. The team brought home more than $8 billion in deals for Canadian businesses that benefited every province.

We have eliminated unnecessary boards and committees making government leaner. We have eliminated subsidies to businesses and other groups in order to make government relevant and less intrusive. We have turned over the management of many programs to local authorities, streamlining and removing duplication and inefficiencies. It is in keeping with this move toward efficiency and relevance that we introduced the legislation before us.

Bill C–95 is a milestone in the evolution of a health system that is the envy of countries around the world. Over more than two generations, Canadians from across this great country under the leadership of Liberal prime ministers and ministers of health have built Canada's health system with great care and courage, foresight and compassion. We are proud and honoured to carry the torch of their vision forward, unaltered, while at the same time responding to the need and the challenge for finding new ways to implement the goals.

• (1315)

The bill will change the name of the federal department to give it a more focused mandate. It will confirm and strengthen the raison d'être of the Department of Health, which is to promote and preserve the health of Canadians. It will reaffirm its mission of helping the people of Canada maintain and improve their health status. It will continue to fulfil these objectives through medicare and public health initiatives, through research and investigation, through education and awareness, and through the monitoring and investigation of food, drugs, devices and products that would compromise the safety of Canadians.

However the social assistance and income support programs of the government once contained within the Department of National Health and Welfare have been turned over to the Department of Human Resources Development, and for good reason. As we move into the 21st century issues such as poverty, unemployment and social welfare have become inextricably linked with the notion of empowerment through creation of opportunity via skills, training and education, all aimed at developing the human resource potential.

Bill C–95 addresses the need for a clear and proactive focus on Canada's primary resource, its people, and on ensuring that their quality of life and health status are balanced, enhanced and improved. It allows us to concentrate on the broader spectrum of issues that affect the health of Canadians today, the challenge and enticements to come to terms with and to explore the complex new discoveries, drugs and technologies that spring up with such dizzying rapidity in the world of biomedical science.

These innovations have on the one hand presented us with exciting new opportunities for prevention, diagnosis and treatment of disease and alleviation of suffering and on the other hand raised conflicting issues of safety, cost effectiveness, ethics and evaluation of social values.

The act will allow our department to create a vision for the future and at the same time to renew and strengthen our commitment to co–operation, co–ordination and partnership with all Canadian jurisdictions, provinces, territories, organizations and communities. In keeping with this evolution, the bill brings about the change that is the promised mandate of the government.

There is more to renaming the Department of Health than a mere change of name. There is a clarification of focus and an opportunity to formulate a new vision of the future that will improve greatly the health status of Canadians and make innovations that will enhance and strengthen what is already one of the best national health care systems in the world.

This is no more clearly spelled out than in the portion of the act that declares the health aspects of social well–being are the responsibility of the Department of Health. We all know that social well–being is multifactoral in its linkages and that it concerns in an interlocking manner the policy makers of every government department and every minister. Social well–being is interrelated with the economy, with justice, with employment, with poverty or wealth, with cultural and spiritual issues, with gender and ethnicity, and with the environment. The new health definition is more than just the absence of disease. It has to do with the quality of the individual's life and ability to cope with disability.

In the case of Health Canada this responsibility, which has always been implicit in its mandate, is now being explicitly acknowledged. The context of the words in the bill make it clear that the department's scope to exercise this broad definition of health is confined to matters over which the health minister has jurisdiction. It obviously does not give the Minister of Health the mandate to infringe on other ministers' responsibilities. By using the specific words in the bill, Canada has declared its commitment to the definition of health used by the World Health Organization which says that there is more to health than health

care. It says that health means much more than the absence of disease.

Health is the complete state of physical, mental, spiritual and social well–being. This is what the new department aspires to for every Canadian. Its renewed commitment to a long and glorious tradition has inspired Liberal governments, politicians of every party and Canadian people over many years, indeed over many decades.

• (1320)

Many eminent Canadians have been intimately associated with the growth of Canada's health system: the hon. Judy LaMarsh, the hon. Paul Martin, Senior, Mr. Justice Emmett Hall, the hon. Marc Lalonde, the hon. Monique Bégin and the late hon. Tommy Douglas. I mention only a few. We can see how the vision of health has known no political boundaries in the past. Though members of the third party as we well know have tried to challenge it in the present, we can trace the evolution of the commitment to social well–being through the contributions of each of these people.

In particular it was foreshadowed just over 10 years ago when Parliament debated and unanimously passed the Canada Health Act under the direction of the hon. Monique Bégin, the federal Liberal Minister of Health at the time. This major milestone, the Canada Health Act, contained a preamble that called for an assault on the social, environmental and occupational causes of disease. The idea that shaped that statement was a growing awareness of the importance of nutrition, stress management, physical fitness, safety in the workplace and the environment generally. These concepts deal with health, not sickness. These are concepts the hon. Marc Lalonde, another federal Liberal Minister of Health, created and championed. This definition has since been taken up by many other countries of the world and is now considered indisputable fact.

These concepts of health deal with prevention and promotion, not only cure, as the strategy for achieving health. It is a strategy that speaks of long term planning, not only reactivity. It represents the real health care revolution in the country.

Inherent in Bill C–59 most emphatically the concentrated focus on health statement does not mean that our vision of the future of health is intrusive or limiting. Clause 12 of the bill like the act it replaces makes it clear that nothing in the act gives the Minister of Health or any Health Canada official authority to exercise any jurisdiction or control over any provincial health authority. As I have just related in detail, it certainly defines health in its newest and broadest terms.

The bill confirms and strengthens the national interest of the federal government in health and answers those who would Balkanize health care. We know that health care is primarily local in nature. People who become sick are generally treated close to home by their own medical practitioners. If necessary, they are taken to hospitals in or near their town or city. It is well accepted colloquially and constitutionally that the managerial and administrative aspects of Canada's health system fall under the jurisdiction of the provinces.

Canada's intrinsic values, beliefs and ideals are not local in nature. They define who we are as a people and what we stand for. These values and beliefs are reflected in the principles of the Canada Health Act.

While the federal government's financial contributions to the provinces and territories subsidize a substantial share of the cost of health care, the role and contribution of the Government of Canada in the area of health extend well beyond its funding responsibilities.

The work of the Department of Health touches the life of every Canadian every day. It monitors the safety of the foods we eat, the medication we take, the consumer products we buy for our families. In effect it is the watchdog of consumer safety. Health Canada identifies the health risks we should avoid and undertakes the research programs that improve the health of children, women, seniors and all other segments of society. It is a machine of proactive care.

The protection aspects of health care begin long before health interventions for the sick. It extends more broadly than mere treatment of illness. It is in the national interest that systemic examination of disease trends and health risks be in a single accessible place where public health intelligence from within Canada and around the world can be assembled and evaluated and that there be a centre where population health strategies can develop and where national health status benchmarks can be set.

To this end the laboratory centre for disease control located in the department is dedicated to programs preventing, controlling and reducing the impact of chronic and communicable diseases in Canada.

• (1325)

There is a national interest in working with other countries to combat and control health threats that know no borders. The Government of Canada supports international collaboration against the common threat of disease. It is in the national interest that research into the causes and treatments of disease be carried out.

The federal government spends many hundreds of millions of dollars a year on health research. The results of research are available to all provinces, all hospitals and all doctors throughout Canada. The outcome of research benefits all Canadians. It saves the lives of all Canadians. Health Canada's role as co–ordinator, database gatherer and clearinghouse is clearly invaluable.

It is in the national interest that drugs and medical devices be evaluated to ensure that regardless of where they are purchased and used they are safe for public use and they do what the manufacturers claim they do. The Department of Health analyses pharmaceuticals that are submitted by manufacturers and certifies their effectiveness and safety. The Department of Health works to assure Canadians that their food supply is safe, nutritious and of high quality. It is in the national interest that the Department of Health does these things. It is also in the national interest that standards are set and enforced so that Canadians can be ensured of comparable health care services no matter what province they reside in or visit.

It has been well documented by many surveys that Canadians want a national vision for health and social well–being. Poll after poll has found that the health care system is in first place as one of the things that binds Canadians together. They see it as a defining aspect of Canadian values.

The latest Canada Health monitor findings show that 89 per cent of Canadians support the principles of the Canada Health Act. The third party across the way that seeks to trample on those principles should get in touch with the people of Canada.

Health Canada has a clear role to play in public awareness and education on health issues as well as a responsibility to protect those who are disadvantaged. The government is proud of the measures it has taken on behalf of groups with special needs whose health status is more compromised such as First Nations persons, children, seniors and other disadvantaged groups. At the same time, because the health status of First Nations people requires concentrated ongoing efforts we have expanded and enhanced health programs for First Nations and Inuit people.

For instance, last year the Minister of Health announced the building healthy communities strategy. In consultation with First Nations and Inuit leaders we will implement the strategy to strengthen efforts in three critical areas: solvent abuse, mental health and home care nursing.

We are well aware that health programs designed and delivered within First Nations communities are often more successful than those delivered by outside agencies. I have proof of this not only from my own experience as a physician working with aboriginal communities to improve their health but more recently as I travelled with the Standing Committee on Health across Canada visiting native communities and seeing firsthand what worked and what did not work.

We are working with the First Nations to increase control over their own resources. We have helped many bands to move through the transition that will eventually culminate in full control of management and administrative powers that will enable self–government.

It would take too much time to tell the House of all the initiatives now under way to empower Canadians who are least able to help themselves, those disadvantaged by need or by neglect. However with the indulgence of the House I will mention only a few. An example is our seniors. We currently support research into alternatives for care that promote independence and allow the elderly to stay in their homes, close to friends, family and familiar surrounding. We do this by funding groups that provide community programs for seniors. This is what we mean by health status encompassing quality of life objectives.

For our children Health Canada is a key player in a network of government programs designed to improve the life chances for children at risk. The clear understanding is that the future of children depends on critical inputs during the first years of life. The federal government administers a number of programs for Canadian children and their families to help improve access to the best opportunities for health and development. The department directly supports a wide range of strategic programs targeted at children at risk of abuse or injury, social or physical disease.

• (1330)

What about women? For too long, women have taken second place on the health agenda. Our government has taken dramatic steps to correct this grave inequity. We have given strong support to the Canadian breast cancer research initiative. We have introduced gender specific elements into health promotion programs such as Canada's drug strategy and the tobacco reduction demand strategy, working with community groups to ensure that women get help at the local level.

Statistics Canada showed that the prenatal death rate in this country climbed in 1993. As a physician, I know that good nutrition in pregnancy is a key factor in decreasing the rate of low birth weight babies, who are at highest risk for chronic disease and disability. Health Canada's prenatal nutrition program for low income and other at risk mothers was a red book response to this tragic occurrence. I am proud to say that this simple and effective program would benefit many at risk babies in the future.

The hon. members of the third party with tunnel vision may rest assured that spending on these health programs does not fly in the face of the debt reduction priority of this government. Each dollar that goes to prevent ill health saves tens and hundreds of dollars in health care and treatment costs.

I turn now to the specifics of the bill before the House. As I have said, essentially it renames the department to conform to its new singular focus on health. Hon. members will find that most of what is in the bill carries over from the previous legislation. There are a few new items included in order to clarify the mandate of the department and to extend its abilities

to discharge its mandate. I will deal with some of these very briefly.

The bill defines the minister's powers in clause 4 as the promotion and preservation of the physical, mental, and social well-being of the people of Canada. Hon. members will understand the meaning of social well-being in light of my earlier comments in the context of this bill. We are concerned solely with the health aspect of social well-being, because health is more than just health care. It involves the total environment in which the organism lives and develops, in which human babies are born, youth develops, and seniors find quality of life. Health is based in the social order of the community.

We speak then of the social well-being of Canadians in the same breath as we speak of their physical, mental and spiritual well-being. Not only does this wording reflect the reality of human existence, it echoes the wording and usage of the World Health Organization of the United Nations.

A subclause of this section confirms the department's responsibility for the safety of consumer products and workplace equipment, which is a transfer from the former Department of Consumer and Corporate Affairs.

By virtue of clause 5, Health Canada officials will gain the same powers to inspect possible disease carrying agents entering the country as they now have to enforce the Food and Drug Act.

Clause 6 authorizes the minister, under the supervision of Treasury Board, to recover the cost of services provided to business. I hasten to explain to the third party that for medically necessary care this does not apply to user fees and they should never confuse it. Members know that we remain unalterably opposed in this government to any user fees.

What we really refer to under cost recovery is the cost recovery of charges to businesses for the cost of government services that have commercial value, such as evaluation of drugs, devices, pesticides, et cetera, which we all agree taxpayers should not subsidize.

I would like to reassure hon. members and the Canadian public of one overriding truth, the clear mandate and mission of Health Canada. Our mission will continue to be to help the people of Canada maintain and improve their health. We will continue to enforce the Canada Health Act so that all Canadians will have universal access to a comprehensive range of medically necessary quality health services. Our objective as a Liberal government has historically been to ensure that the health care system remains accessible to Canadians when they need it.

• (1335)

In this vein, hon. members are aware that the Minister of Health has given the provinces until October 15 to disallow user charges for medically necessary services in private clinics or experience reductions in transfer payments. The message is clear and simple: we will do what is required to stop user charges in their tracks, to push them back wherever they have crept forward, and to prevent the development of a two tiered system of health care, a system which contradicts every one of the five principles of medicare, to which Canadians have stated full commitment.

We do not oppose the use of private clinics. They can be a creative, cost effective way to deliver services, and they can do so without contravening the Canada Health Act if they are set with clear, well defined criteria.

We are committed to consulting openly and thoroughly with our provincial colleagues. We have shown our commitment to working with them to resolve outstanding issues and renew their health care system—indeed as they must—in a way that preserves and respects the underlying principles and values of the Canada Health Act. However, the bottom line remains fixed: no Canadian will suffer financial hardship because of illness in this country. This principle has not changed since Emmett Hall's report and since Liberal Prime Minister Lester Pearson enacted medicare. It will not change in the future as long as there is a Liberal government in Canada.

We will continue our wide range of activities aimed at preventing disease and promoting health. We know this is the best investment in the health status of Canadians that we can possibly make.

We know that 60 per cent of disease is preventable. We know that early screening, public information and awareness, research, and healthy public policy can make a remarkable difference to the lives of Canadians, even in diseases where there is no known cure. We have instituted a breast cancer information exchange. We have implemented strategies to reduce tobacco use, to counter family violence, and we have introduced a prenatal nutrition program to improve prospects for newborns at identifiable risk. We have announced an aboriginal health head start program to address the needs of aboriginal children living in urban centres and large northern communities. We have embraced the axiom that good health is the result of proper exercise and diet. My department provides guidelines on nutrition and financial support for physical fitness and active living.

Nobody wants to spend more money than is necessary on health. We want to get the maximum value from every dollar. The road to this objective passes through the prevention of illness and the promotion of health through the development and support of healthy communities.

Dr. Brock Chisholm, former deputy minister in Canada and first director general of the World Health Organization, once recast the age–old saying that an ounce of prevention is worth a pound of cure. Dr. Chisholm said "You can only cure retail, but you can prevent wholesale". We subscribe to that.

The new Department of Health will continue all the essential work that has helped Canada reach and maintain its place on top of the world rankings in health. However, as I said at the outset, we intend to do far more than maintain hallowed traditions. We intend to be a dynamic player in a world filled with new challenges and innovative and creative opportunities for health and health care.

We will be open to exciting visions of the future that take full account of the discontinuities and uncertainties of fast changing times. We look to the national forum on health to help develop this new vision for Canada's health system in the 21st century. We believe the forum is an appropriate vehicle, one that respects the rights of Canadians to be consulted on this matter of primary importance. It brings expert opinion from many areas to bear. It promotes dialogue with all segments of the public. It respects the established and effective conference of federal–provincial health ministers. The personal involvement of the Prime Minister as its chair reflects the importance this government assigns to its deliberations.

The national forum on health, which will maintain a dialogue with Canadians, is a unique and important milestone in the evolution of Canada's health care system. It also makes good on a promise the Liberal Party made when it sought and received the support of Canadians in the last election, a promise to strengthen partnerships, to open doors to public input. The forum would bring in for the first time in a meaningful and practical way the third player on the health care team, the consumer.

I point out to hon. members that significant progress has been made on the health commitments of the red book. Consider the forum, aboriginal head start, prenatal nutrition, centres of excellence for women's health, and on and on. Health is everybody's business. It is an investment in the Canadian economy. Health is an economic resource. Healthy people work, play, and are active consumers.

• (1340)

Studies done by many economic think tanks have shown the loss to the economy through illness. It is important to understand that Canada's financial commitment to health care provides considerable value for every dollar spent.

In 1972, when our health insurance system was completed, Canada and the United States were spending approximately the same level of gross domestic product on health, at 8.4 per cent of gross domestic product. Since then we have done a far better job of controlling spending. Last year Americans spent more than 14 per cent of GDP on health, with 35 million citizens still uninsured, while we spent about 9.7 per cent of gross domestic product on a universal, comprehensive system where every Canadian has full access, regardless of income level. This translates to $30 billion a year in savings on health compared with the U.S. spending levels.

What about outcomes? OECD and WHO statistics show that Canada ranks in the top three and sometimes is second in health outcomes, while the United States still ranks between 15 and 17. I say to the third party that more money does not mean better care.

Who gains from these savings? Canadian employers. Who has high overhead costs to insure their employees against basic health risks? Not Canadian businesses. We are among the big winners. In fact major American companies have admitted that this is one important reason to invest in Canada. Moreover, Canada's labour market is more flexible and more mobile because problems with health insurance do not deter workers from changing jobs.

This Canadian health dividend is not simply in the delivery of health care services. It is sometimes unfairly alleged that medicare is bureaucratic and eats up funds in administration and red tape. The truth is quite the opposite. Health care administration costs about $272 per person in Canada. In the United States it is about 250 per cent higher, at $615 U.S. per person.

Public administration, as one of the five principles of health care, works. We only spend about 5 per cent of our health care dollars on administration. The United States spends 25 per cent. It was once decided by the United States Department of General Accounting that if that 25 per cent spent on administration in the United States were put into health care services, the 35 million Americans who are not insured would be insured.

We are committed to managing effectively and prudently in difficult financial times. There are many management strategies in health care that are innovative, save dollars, and still ensure quality, such as evidence based care, appropriate acute care, community care, and assessment of technologies. But this all means working in close co–operation with provinces and territories. This government has taken great care to avoid duplication of programs and services. If the provinces can administer a program better, and in many cases they can, we let them do it. Our aim is to co–operate and be flexible with the provinces in ways that ensure there is no wasteful overlap. We consult widely within the field and among all Canadians before we act.

I have spoken about the record of the health department that has been its history and portends well for its future. It has been the instrument for promoting high quality health care and improved health status for Canadians at reasonable cost. It has earned and maintained an international reputation for its efforts on health promotion and disease prevention.

I am therefore proud to sponsor this bill to create Canada's new Department of Health. I urge all hon. members of the House to afford it swift passage through Parliament.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is a pleasure to rise today to speak for 40 minutes to Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts.

In fact, the purpose of this bill is to shorten the name of the Department of Health and Welfare to Department of Health. Yet, in reading Bill C–95, we realize that some sections have been amended, repealed or added so that the government can, under the pretence of providing good government, give the Minister of Health the legitimate power to interfere once again in areas of exclusive provincial jurisdiction. We are faced, once again, with this overwhelming desire to centralize everything.

• (1345)

Since I like setting the record straight, I will give you a short history lesson.

As the type of political system that would prevail in the future Canadian union was being defined in 1867, it was easy to see the emergence of two opposite views of federal–provincial relations. On one side, John Macdonald wanted a strong central government that could devolve certain powers to the provinces as it saw fit. On the other side, Cartier definitely favoured a highly decentralized confederation. In French dictionaries, confederation is defined as the union of several sovereign states.

We know only too well what this led to. Powers were indeed distributed between the two levels of government, so that each would have exclusive jurisdiction over their own areas of responsibility.

But things are never as clear cut as they seem with the federal government. The government kept in its hand what it considered as a trump card, which proved to be harmful to federal–provincial relations: the power to spend and to make laws for the peace, order and good government of Canada.

This way, the federal government could still do as it pleased in any provincial area of responsibility, without paying attention to the distribution of powers guaranteed by the constitution. And this was definitely planned and hoped for. This is confirmed by Alexander Galt, one of the fathers of confederation, who stated that the distribution of powers, as described in the British North American Act of 1867, did not provide the provinces with enough funding to properly look after the areas falling under their jurisdiction. This means that the very document that gave rise to a new Canadian union provided that the provinces would not have sufficient funding and that the federal government should step in to compensate the members of this union.

Unable to have a highly centralized federal system from day one, John Macdonald made sure that its power to encroach would enable it to intervene in any jurisdiction it pleased and to impose its views on the provinces, even with respect to exclusive provincial jurisdictions.

It may be difficult for some to recognize that this is what those who drafted the British North America Act had in mind. It may be difficult for them to believe that what they like to refer to, wrongly I must say, as the most decentralized system in the world, already provided, in its embryonic state, for increasing centralization of power in favour of Ottawa.

Yet, the comments made by Alexander Galt, whom I quoted earlier, leave no doubt as to those initial intentions, and nor do the remarks made by another architect of the Act of 1867, who said that, in the long run, the provinces would become nothing more than large municipalities under the control of the federal government, on which they would greatly depend. We were not there at the time to see what was going on, but these people were, and they even wrote about it.

This is how the structure in which we still live, unfortunately, was developed and set up. I made reference to our history at the very beginning of my speech to show that, to this day, and contrary to what many would like us to believe, nothing has changed. This centralizing vision which gives greater power to the federal government is not mentioned in the speeches of today's key players on the federal scene, but it is obvious in their actions. The best example is certainly the health sector in general, where the federal government has been interfering constantly and increasingly for decades. Bill C–95, which is now before us, is evidence of that.

Section 92.16 of the Constitution Act gives provinces jurisdiction over health related issues on their territory, by generally providing for all matters of a purely local or private nature within a province. Moreover, sections 92.7, 92.13 and 92.16 of the same act also give the provinces jurisdiction over hospitals, the medical profession and practice, as well as health related laws in general, on their territory.

• (1350)

We can say that this is an area of provincial jurisdiction since it involves ownership and civil rights.

In the light of what I just said, it is obvious that health care is an area which should come under provincial rather than federal jurisdiction. However, the federal government has been interfering in this area, in various ways, for many years now.

The Hospital Insurance and Diagnostic Services Act, the Medical Care Act and, more recently, the famous Canada Health Act, which combines both previous acts and crystallizes so–called national standards, show how the federal government deals with areas of shared jurisdiction. Its initiatives aimed at

increasing the federal presence in these areas of exclusive provincial jurisdiction are being justified by its spending power, which creates problems not only in the health care area, but I will not have enough time to list the many disputes it has caused, others will do it for me, I am sure.

For my part, I will paint a picture showing what happens when a government is unwilling to admit that it cannot afford to do and decide everything on behalf of the provinces. This picture has, as a backdrop, the acute crisis the health care system is going through in Canada and Quebec.

The federal government's temptation or desire to interfere in the health care area is not new. In fact, right after the second world war the federal government took over all major fields of taxation to make sure it would receive almost all the taxes normally levied by the provinces.

At the end of the war, the government got a bright idea: instead of giving the taxing powers back to the provinces, it would redistribute the money through grants conditional on standards set by the federal government. That was an ingenious way to encroach even further upon areas not within the federal jurisdiction, at a time when the London Privy Council, the equivalent in those days of our Supreme Court, wanted to restrain the federal government's tendency to centralize. In the health area, the Established Programs Financing Act is a good example of what I said earlier: this government refuses to accept that it cannot do everything and be everywhere.

Created in 1977, the EPF program has kept the same structure ever since. However, the growth rate has not been as expected over the last ten years. That is what brought about the shortfall, as we call it, for the provinces and Quebec in the health area. In 1986, the federal government reduced the growth rate of transfers by 2 per cent. It was the beginning of a long series of payment cuts: in 1989, the indexing factor was again reduced by 1 per cent; in 1990, Bill C–69 froze transfers to the 1989–90 level for two years supposedly; in 1991, the government announced that the freeze would be maintained for three more years. During most of that blighted period for the health care system, the opposition cried its outrage. It said loud and clear that this process could only push the system to its own ruin.

But the same party, now in government, is weakening the system even further. Between 1977 and 1994, the federal contribution to health went from 45.9 per cent to 33.7 per cent, a drop of 10.6 per cent which Quebec and the provinces have had to absorb as best they could. Unfortunately, the mismanagement condemned not so long ago by the Minister of Labour and the Deputy Prime Minister seems to still be with us.

My predictions for 1997–98 are that the federal contribution will slide as low as 28.5 per cent of funding. Over the years, as Ottawa disengaged itself from health funding, Quebec alone was left $8 billion short. Eight billion dollars which the Government of Quebec had to scramble to find elsewhere. To that figure can be added the projected cuts in the Canada social transfer of $308 million in 1995–96 and more than $587 million in 1997–98.

• (1355)

The leeway that was to be afforded by the Canada social transfer is in reality merely the opportunity for Quebec and the provinces to make their own choices as to where they would make the cuts to absorb this unilateral disengagement. This is how the present Liberal government sees decentralization. This is what it means by flexible federalism. No thanks, we are not interested.

As I have already said, articles 92.7 and 16 of the British North America Act allocate health and social services exclusively to the provinces. There is, however, also a federal health department.

Next year, the federal Department of Health will cost the taxpayers in excess of one billion dollars, a billion dollars wasted doing what the governments of Quebec and the provinces could very well do themselves.

Moreover, this superfluous department allocates sizeable amounts for programs and projects already in existence in Quebec. Let me give you some examples of these, Mr. Speaker: the strategy for the integration of persons with disabilities, the campaign against family violence, the new horizons program, the seniors secretariat, the tobacco strategy, the drug strategy, the AIDS strategy, the program on pregnancy and child development, the children's bureau—I could go on and on.

The federal cuts should have been in these areas of duplication, but it insists on having a finger in every pie, and the disastrous effect on public finances does not seem to be enough to convince it to accept reality.

The Speaker: I must interrupt. You will have the floor again after question period. It being two o'clock, the House will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

VANCOUVER GRIZZLIES

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, today the Vancouver Grizzlies basketball team will play its inaugural game in the National Basketball Association in Portland, Oregon. Arthur Griffiths and general manager Stu Jackson will undoubtedly lead our new Vancouver basketball team to many victories.

There is a lot of anticipation in Vancouver. The Grizzlies will be playing in the state of the art GM Place stadium which will give to the team an advantage over the rest of the teams in the league. The fans will not be disappointed because they will be treated to one of the most exciting and popular sports in the world.

Canadians should be proud that they have two teams in the NBA they can call their own. We have to build on the success of what Canadian Dr. James Naismith started. The Vancouver Grizzlies and the Toronto Raptors will do us proud.

I would also like to take this opportunity to wish to the Vancouver Canucks good luck and success in their new season. The Canucks will also be playing in the GM arena under general manager Pat Quinn who assembled a talented and skilled team.

To the Vancouver Grizzlies and the Vancouver Canucks, bonne chance.

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CANADIAN UNITY

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, surely this government finally gets the message that millions of Canadians want change.

Today, Canada's borders may be intact but the unity of the Canadian people is not. Canadians are divided into at least three groups. One group, unhappy with today's way of life, wants to leave. Another group wants to stay but leave our way of life as is, the status quo. The third group wants to stay and make the necessary changes to improve the Canadian way of life.

The group advocating the status quo by that very fact created the existence of the other two groups. The status quo is not effective and must now go into our history books. The group advocating separation has been denied.

To avoid this reoccurring, this government must show leadership and make the necessary changes. I invite the government to make use of the new Confederation plan put forward by Reform. Copies are available upon request, in plain brown envelopes if desired.

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BILL C–101

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, Bill C–101 is about much more than the restructuring of the rail system in western Canada. In reality and especially in response to the loss of the Crow benefit, the legislation shifts the balance of power unfairly to the ultimate benefit of the railways.

I ask the House not to forget that there are captive shippers out there whose entire economy will be affected by the outcome of this bill. More than 60,000 farmers in Saskatchewan have a direct interest in the outcome of this bill. These farmers now pay the entire cost of the shipping themselves. They are at the bottom of the chain so to speak and cannot pass increased shipping costs on to anyone else.

It is important to these producers to have quality railways and quality, affordable rail services. It is also important to Canada to have a successful farm sector because without these producers and shippers the western economy will not grow.

Once again it seems that the Liberals are more concerned about corporate profits than they are about the livelihoods of thousands of prairie farmers.

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REFUGEES

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, since the founding of the United Nations the plight of unwanted displaced peoples has occupied a central role in the affairs of the United Nations High Commissioner for Refugees.

Since its creation in 1950 this organization has provided temporary protection to millions of people displaced from their homes by war, famine or political persecution. Canada has worked with, supported and financed United Nations efforts to ensure that people displaced and who are living in fear of persecution are protected and resettled.

Refugees are a fundamental fact of the world in which we live. Our challenge is not just to provide protection but to work with the United Nations in peace building and creating the conditions for safe repatriation of refugees to their countries of origin. Canadians can rest assured that the government will continue to nurture the excellent working relationship that it has with the Office of the United Nations High Commissioner for Refugees.

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BUTTERFLY RESERVES

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, I am pleased to address the House today on a significant event that is taking place in my riding.

The Long Point national wildlife area, Point Pelee National Park and Prince Edward Point national wildlife area have all been officially dedicated as Monarch Butterfly Reserves. As part of the Canada–Mexico environmental co–operation program this dedication adds to the already recognized environmental initiatives that Long Point is involved in.

Long Point is a special place and is home to a diverse variety of wildlife. Long Point is already recognized as a biosphere reserve and Ramsar site. The combination of public and private lands that make up this fragile piece of landscape together produce one of the most unique and sensitive ecosystems in Canada today. Long Point is one of three locations where the

Monarch butterfly concentrates before its long journey to its wintering grounds in Mexico.

Most of us recognize the Monarch as a special butterfly and by ensuring the future health and well–being of this insect Elgin—Norfolk and all Canadians can take pride in being part of this important environmental initiative.

I commend the Long Point Bird Observatory and the Norfolk field naturalists.

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QUEBEC REFERENDUM

Mr. John Maloney (Erie, Lib.): Mr. Speaker, Canada has once again shown world leadership. We have conducted a civilized debate on the most serious subject a nation can face: its own existence.

Where other countries have resorted to armed violence and devastation to impose change, we have conducted a spirited but peaceful campaign with the ultimate decision being made at the ballot box. Let us all accept the decision made by the people of Quebec with tolerance, openness and mutual respect. Let us promptly respond to the need for change to our Confederation fairly and equitably for all provinces and territories.

Let us work out our differences in the spirit of co–operation and reasonable compromise. That is our trademark; that is the Canadian way. Let us enter a new chapter of our illustrious history and again face the world with confidence and pride. O Canada, we all truly stand on guard for thee.

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[*Translation*]

NEW BRUNSWICK PREMIER

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the behaviour of New Brunswick Premier Frank McKenna, who is courting Quebec businesses to bring them to his province, is utterly disgraceful. While begging Quebecers to vote no in the referendum and asking them, once again, to believe in Canadian federalism, Mr. McKenna was secretly working to take away their jobs.

What a great demonstration of love for the people of Quebec from the Premier of New Brunswick. This is the man who, when Quebec was in a weak position and making minimal demands, was the first one to stab it in the back by repudiating the Meech Lake accord.

The next time Quebecers have to make a decision on their future, they will not be fooled by the real intentions and hypocritical attitudes of people such as Mr. McKenna.

[*English*]

ALBERTA

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the Alberta government recently announced its own referendum on the future of Albertans.

The vote is about freedom for Albertans. The vote is about the devolution of power from the federal government to the province and the people. The vote is about the very right of Albertans to conduct business the way they choose in the future.

• (1405)

In a country where people would respect the results of a referendum which would allow one province to leave Confederation, surely the government and the minister of agriculture will respect the results of a plebiscite to give farmers a choice on how to market their grain.

Between November 14 and 24, Alberta's 50,000 wheat and barley farmers will have their say. The choice is between a continued wheat board monopoly on buying wheat and barley or the right to sell through the board or directly to any customer.

For Alberta farmers now is their chance. They should let their voice be heard, get out and vote.

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QUEBEC REFERENDUM

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the recent Quebec referendum was like the proverbial Chinese two–sided coin. It created on the one side a feeling of deep anxiety and on the other it awakened a sense of national pride in all Canadians.

Even though the margin of victory was narrow, in the end we were all winners. It is better to work for change together within a united country than to negotiate bitterly as separate nations.

Quebecers showed faith in Canada by voting no. British Columbians rekindled their national pride and francophones in B.C. feel secure again in their heritage. It is time for the healing to begin.

The strength of our country, which is its respect for differences, must lead us forward together in a spirit of understanding and compromise.

Canada has set out to prove that a diverse and multicultural people with linguistic duality and varied heritage can live together in peace and tolerance.

The world looks to us for inspiration and hope. Flawed though it is, Canada is still the best country in the world in which to live.

[*Translation*]

LEADER OF THE BLOC QUEBECOIS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the leader of the Bloc Quebecois showed unprecedented contempt for democracy in a statement he made the day before yesterday as he was leaving the House.

He said, and I quote: "Never again will sovereignists beg the rest of Canada for anything. Never again will we negotiate on unequal terms". The Bloc leader must set his personal frustrations aside and accept the outcome of Monday's referendum.

Quebecers have rejected the option of Quebec separation. As a federal member of Parliament representing a Quebec riding, the Bloc leader must acknowledge Quebecers' wishes. Separation has been rejected. Let us now work on bringing about the changes that Quebecers want within Canada.

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RIDING OF SAINT–MAURICE

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, the Prime Minister's own riding, the riding of Saint–Maurice, voted yes in the referendum. This was a strong yes, with 56 per cent of the voters saying yes, or 9 per cent more than in the 1980 referendum.

The people of his own riding sent the message to the Prime Minister that his vision of Quebec was not the right one. The yes vote in the riding of Saint–Maurice means that people want more than just the meaningless cosmetic changes proposed by the Prime Minister. The yes vote in the riding of Saint–Maurice very clearly shows that the people of Shawinigan want a country, a very different country from the one that the hon. member for Saint–Maurice is trying to sell them.

* * *

PARTI QUEBECOIS LEADER

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, the leader of the Parti Quebecois has announced that he will be leaving the political arena. This announcement comes on the heels of one of the most incredible statements of intolerance ever made by the leader of a political party in the history of Quebec.

Some separatist strategists are already busy trying to convince us that, with their leader gone, any trace of racism or xenophobia that may have existed in the ranks of Quebec separatists will now disappear. Let us not forget that the PQ leader was not the only one to make this kind of racist comments.

Many of his associates have also indulged in this kind of discriminatory remarks, but have not yet resigned. What are they waiting for?

Only by respecting the verdict of the majority and finally getting down to the real problems will the separatists convince the people of Quebec that they really represent all of them.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, remarks by the Prime Minister and Deputy Prime Minister reveal their contempt for the principles of fairness and unity.

While the Reform Party leader advanced a vision of Canada with Quebec, it was the Prime Minister who proved to be the most destructive force in the "neverendum" referendum.

Last night the Prime Minister compared the slim no vote victory to a hockey game where one team wins by a goal. The coach should be fired. This team went into the third period with a nine–point lead and almost blew it.

• (1410)

The Deputy Prime Minister praised the Liberal do nothing campaign in Quebec and the efforts of their Mulroney soul mate from Sherbrooke. She also attacked her opponents as being vultures. In fact the only vultures that will be seen will be those across the way, hovering over the discredited leader of the Liberal Party as they look to replace him.

Still, this type of Liberal Party tactic does not surprise Canadians because, as they know, if it looks like a rat, if it walks like a rat and if it squeals like a rat, it is a member of the Liberal rat pack.

* * *

[*Translation*]

PRIME MINISTER OF CANADA

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, last night in Toronto, the Prime Minister of Canada delivered an important speech in front of a large audience of business people.

Not only did he highlight our government's main achievements and reiterate our commitment to our red book promises, but he also raised the issue of national unity. In his first major speech outside Quebec since the referendum, he urged all Canadians to join forces in bringing about the changes that are so anxiously awaited from coast to coast.

The message delivered by our Prime Minister is one of stability, reconciliation and optimism. I am pleased to associate myself with what my leader said and I can assure the people of Canada that we are fully committed to making this country a symbol of unity and of prosperity.

PRIME MINISTER OF CANADA

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, over the last few days, the Prime Minister once again showed his true colours. The architect of the unilateral patriation of the constitution in 1982 has once again decided to put Quebec in its place. Indeed, after stating that he would not abide by Quebecers' decision if they voted yes, the Prime Minister is now saying that he will muzzle them by keeping them from holding another referendum.

The Prime Minister said that he would not hesitate to use every power available to keep Quebecers from exercising that legitimate right again. Nothing has changed. The uncompromising and centralizing federalism of Pierre Elliott Trudeau is still very much alive in the Prime Minister's mind.

As far as he is concerned, Quebec is a province like any other, and it must stay that way. Just forty–eight hours after Monday's referendum, Canada is in a catch 22 situation since federalism remains impervious to any real change, while Quebecers are not interested in the status quo.

* * *

[*English*]

NATIONAL UNITY

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, there are rare occasions in the history of a nation when fate opens a window of opportunity that can change the course of a country forever. Such an opportunity now exists.

The referendum process and subsequent results show Quebec to be a province that is deeply divided and have highlighted the intense desire for all provinces to deal with the problems that affect us all.

We must seize the opportunity now to move ahead to decentralize federal powers. The people must also be allowed to choose their representatives in the Senate and in the Supreme Court. However, let there be no mistake. These changes must occur for all provinces because when preferential treatment is afforded to one province over another it only creates divisions and resentment.

We must move ahead. The time now is for leadership. We must not look back in history and use past history to justify breaking the country apart. We must move ahead and heal the wounds that exist in the country today to bring all Canadians together in a strong and united Canada forever.

[*Translation*]

TRIBUTE TO QUEBEC PREMIER

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I want to pay tribute to Mr. Jacques Parizeau who, two days ago, resigned and announced his intention to retire from political life.

Notwithstanding our conflicting views on Quebec's future, the fact is that Mr. Parizeau has played an extremely important role in the building of a modern province.

He was an economic advisor to several premiers. He helped set up the Quebec deposit and investment fund. He provided advice to the government of Mr. Lesage on the government's takeover of the hydro sector. He was a key player in the quiet revolution.

Mr. Parizeau was also a man of conviction who worked hard to achieve his objective. I want to express my deep respect to Mr. Parizeau and to his wife, Lisette Lapointe, as they begin another stage of their lives.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

THE REFERENDUM

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in a speech he made last night in Toronto, the Prime Minister made a new contribution to Canadian democracy. First, he confided it was frustrating to see Quebecers vote in a referendum on their sovereignty and thus undermine Canada's political stability. In concluding his speech, he made it clear that he would intervene to prevent any more votes of this kind.

My question is directed to the Deputy Prime Minister. Would she oblige by telling us what the federal government intends to do to prevent democracy in Quebec from voting in accordance with its own laws?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference between the Prime Minister and the Premier of the next party the Leader of the Opposition will soon be leading is that the Prime Minister of Canada says he recognizes the fact that all Quebecers have the same right to vote.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Except that he wants to take that right away from them, Mr. Speaker.

The same rights, meaning that no one will be able to vote.

Mr. Speaker, living in a democracy is clearly getting to the Prime Minister.

Are we to understand that from now on, instead of rejecting the results of the referendum, as he was about to do if the yes side had won, the leader of the federal government will prevent any future referendums? By even considering such extreme positions, is this gentleman not demonstrating the depth of his despair and his utter inability to overcome his inertia?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference between the Leader of the Opposition and the Prime Minister of Canada is that the Prime Minister accepted the results of the referendum.

We heard the Leader of the Opposition say on the night of the referendum that he accepted the people's decision. I hope that when he arrives in Quebec City very shortly, he will listen to his own ministers, including Serge Ménard who said Wednesday, and I quote: "It seems sensible to have only one referendum. This effort to reach a consensus, which is the whole point of a referendum, means we must consult before imposing. We will have to wait until the next election when we will tell them what our plans are. We must deal with the problems of Quebecers, get our public finances back into shape and govern".

Mr. Speaker, we also heard comments from the Minister of Justice in Mr. Bouchard's new government, who said, and I quote: "You do not have a referendum because you lost the first one and you think you will have a better result three weeks later". That shows respect for the democratic system.

The Speaker: Again, my dear colleagues, I would ask you to refer to each other by the names of your ridings.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, all sovereignist Quebecers who voted Yes, 49.4 per cent, are still paying taxes to Ottawa and observing federal laws because they acknowledge the fact that democracy in Quebec has spoken. I said it before and I say it again: We are democrats first and foremost, and the first duty of democrats and citizens is to respect a democratic vote like the one held Monday in Quebec.

That being said, we should also realize that the people are masters of their right to vote and that if some day the people of Quebec decide to have another referendum, they can do that. We just had a reference to what was said by the Minister of Justice, who was merely referring to the Quebec law that provides that, in order to have another referendum, there must first be an election. And eventually we will have an election in Quebec, since we are a democracy and elections are part of being a democracy.

People will always be able to vote in Quebec. That does not seem to be the case in Canada.

• (1420)

Will the Deputy Prime Minister admit that the federal government is now resorting to such undemocratic measures as banning a vote, simply because it is afraid that a future referendum will make Quebec a sovereign country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference, and I say this again because it is very important that it be remembered, is that on the evening of the referendum, Mr. Parizeau himself said that they lost because of the ethnic vote and people with money.

Three weeks before, the leader opposite made an appeal to the white race and never apologized. The difference between the Prime Minister and the Leader of the Opposition is that the Prime Minister respects the word and the vote of all Quebecers. All Quebecers voted in the referendum, and the majority voted no. We respect the outcome. And we assumed he would do the same.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Deputy Prime Minister cannot get off like that. When we are talking to her about respect for democracy—

An hon. member: What respect?

Mr. Gauthier: —quoting words from all over the place. This is not the question at issue.

This is not the issue, Mr. Speaker. The issue is respecting democracy. In his speech in Toronto, the Prime Minister said yesterday that the rest of Canada had been—

Some hon. members: Oh, oh.

Mr. Gauthier: They should listen, Mr. Speaker, this would show them what their Prime Minister thinks. It is not always nice.

In his speech in Toronto, the Prime Minister said that the rest of Canada had been extremely generous in letting Quebec hold not one, but two, referendums.

Mr. Bouchard: Such generosity.

Mr. Gauthier: What generosity, Mr. Speaker.

Mr. Loubier: Thank you very much.

Mr. Bouchard: Thank you so much.

An hon. member: Quebec, we love you.

Mr. Gauthier: In addition to our warmest thanks to the Prime Minister.

An hon. member: Thank you so much.

An hon. member: We love you.

Mr. Manley: Sit down and shut up.

Mr. Manning: If there is no question, sit down.

Mr. Gauthier: Are we to understand, Mr. Speaker, that the Prime Minister of Canada is now questioning the right of Quebecers to decide their political future? That is the question.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the hon. member opposite is hauling out words from all over the place. The words I quoted earlier—

An hon. member: Answer the question.

Ms. Copps: —are not words from all over the place, these are the words of the Quebec justice minister, who, I wager, will be in the Leader of the Opposition's caucus soon. He said that Quebecers do not hold a referendum because they lost the first one and think they could score better three weeks later. These are the words of the Quebec justice minister.

What is important is that we remember the words of the Leader of the Opposition the evening he talked about the results. He said that the referendum debate had demonstrated Quebecers' discipline, political maturity and their profound attachment to democratic values, and that the wishes and democratic vote of Quebecers deserved respect.

We cannot chose a white race, like the Leader of the Opposition did. We must respect the vote of all Quebecers. Let us hope he will do so.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there are limits. The Prime Minister of Canada has just said we are lucky he allowed us to hold a referendum. We question the Deputy Prime Minister on it, on the right of Quebecers to decide their future themselves, and she answers any old thing. This is scandalous.

Some hon. members: Indeed.

Mr. Gauthier: Are we to understand that the Prime Minister of Canada has just taken upon himself to decide the limits of democracy in Quebec?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister in his speech last night defended the right of all Quebecers. He took a page from the book of the Leader of the Opposition who said last Canada Day that we live in the most democratic country in the world. The people of Quebec spoke.

• (1425)

An hon. member: That is not true anymore.

Ms. Copps: It was true on Monday night. Between Monday night and Wednesday somehow it is not true anymore but the reality is—

Mr. Bouchard: You have changed it.

An hon. member: No way. You can't take the heat.

An hon. member: Vote yes and it is democratic.

[*Translation*]

Ms. Copps: Mr. Speaker, on the subject of democracy, the most unfortunate part is that the Leader of the Opposition never took back the words spoken by Mr. Parizeau the other night. The Leader of the Opposition's remarks about the white race three weeks ago were never taken back. This reveals that it is not the Prime Minister who fails to respect Quebecers' right to vote, it is Lucien Bouchard and the Parti Quebecois.

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in his speech last night, the Prime Minister indicated that he is not prepared to tolerate any more referendums on Quebec sovereignty.

My question is for the Minister of Intergovernmental Affairs. We are wondering exactly how it is that the government intends to achieve this. For example, is it considering a federal law to outlaw provincial referendums? Exactly what is it proposing?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, once again there is an opportunity for the Reform Party to join the ranks of Canadians who frankly want all of the country to get on to governance. Instead, he is salivating for another referendum because he did not like the results of the first one.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, what Canadians want from this government are answers to some simple questions. They do not want to see the government defending the same kind of demagoguery we have here sometimes.

If the separatists cannot have another referendum on Quebec sovereignty, which I suspect they would be ill advised to pursue in the near future, they may try simply to seek a mandate through an election, something which would be much easier to achieve.

Does the government really think this would be a better alternative for Canada than a referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the best way to avoid another referendum is clearly to effect changes in the distinct society clause or in the right of veto, but especially changes that affect the respective powers of the federal and provincial governments.

We have already started to make these changes. They have been indicated. The federal government is now redefining its role and responsibilities. We are doing it at a lower cost to Canadians because we will be reducing the size of the federal government by 20 per cent.

• (1430)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in terms of the government's nascent constitutional agenda, it would be advised to pursue unity by pursuing those issues on which Canadians agree and not those issues on which they are divided.

Yesterday the Prime Minister said he would propose a constitutional veto not for the Government of Quebec but for the people of Quebec. I would presume that is by referendum. Now he says he does not want more referendums in Quebec.

Does he foresee further consultations of the people in Quebec and outside Quebec on their constitutional future or not?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there is no doubt that considerable changes are needed in the Canadian federation. I think we all agree on this.

The federal government has to play a leadership role. It has to redefine its roles and responsibilities. It has to clean up its act. It has started to do that. The various means that will be used in the future either to clarify the constitutional position or to redefine the jurisdictions of all levels of government will be taken whenever necessary by whatever means necessary.

But we must not forget that Canada is not just an addition of 10 provinces. It is all Canadians voting together in a federal set-up in order to elect a government and representatives that look at national interests, not only provincial interests.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Leader of the Opposition publicly dissociated himself from the words of Mr. Parizeau the very next day here in this House, and I therefore accuse the Deputy Prime Minister of having knowingly lied to this House a few moments ago.

The Speaker: My dear colleague, I must ask you respectfully to please withdraw the words you used here a few minutes ago concerning the Deputy Prime Minister.

Mr. Duceppe: Mr. Speaker, I respect you, but I also respect what I am as well as the truth, unlike the Deputy Prime Minister, and I cannot withdraw my words.

* * *

NAMING OF MEMBER

The Speaker: My colleagues, as you know, we must always show respect for each other here in the House. When I ask you to withdraw your words, regardless of what those words are, it is with the full authority of the House of Commons that I ask it of you.

[*English*]

We are in pretty tense times for our nation. If it surprises you that I am going to act as quickly as I am, I do so knowing full well that my primary responsibility in the House of Commons is to see to it that the institution itself is respected by all of us.

I have asked the hon. member for Laurier—Saint-Marie—

[*Translation*]

—to withdraw his words and he has refused to do so.

• (1435)

Therefore, Mr. Duceppe, I must name you for disregarding the authority of the Chair. Pursuant to the authority vested in me under Standing Order 11, I order you to withdraw from the House for the remainder of today's sitting.

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

* * *

[*English*]

THE REFERENDUM

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, last night the Prime Minister told Canadians that he understood full well their frustration at having to sit on the sidelines during the referendum and said that he would not let it happen again.

However, in question period yesterday the Prime Minister flatly rejected the idea of consulting Canadians directly through constituent assemblies.

My question is for the Deputy Prime Minister. If not through referendum, if not through constituent assemblies, then how does she plan to consult Canadians on the future of their country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, a few days before the final vote a call went out to Canadians from coast to coast to coast to come to Quebec to show their solidarity with Canada.

Members of Parliament from every political party responded to that call. Unfortunately of 52 Reform members of Parliament, 51 of them were too busy doing other things to respond to the call to Canada.

We have a responsibility as members of Parliament with our constituents to continue to work for a better democracy. Hopefully the next time the Reform Party will be working with us and not against us.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, may I remind the Deputy Prime Minister that Reformers from across the country were at the Montreal rally, the people, not the politicians speaking out.

It was evident from the results of the Charlottetown accord that Canadians do not want to see distinct society status or

constitutional vetoes brought in. They want to see the federal government decentralizing power, in fact loosening the grip and the stranglehold it has on powers. The west wants it, Ontario wants it, and Quebec Liberal leader Daniel Johnson wants it.

When will the Deputy Prime Minister start living up to this promise of changing the way the federation operates and begin the actual transfer of powers to the provinces?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in 1929 the Senate recognized that women politicians were persons. I hope that when we were in Montreal, we the people were there but we the politicians were also there.

Unfortunately it was a calculated decision of Reform Party members to sit on the sidelines. It was a reflection of the decision they made throughout the campaign because frankly they did not support the option of Quebecers staying in Canada.

Speaking of the sharing of power, I was in Whitehorse only 10 days ago when we had unanimous—

Miss Grey: Giving, not sharing.

Ms. Copps: "Giving it", she says, "not sharing it".

In Whitehorse only 10 days ago we had unanimous agreement of all ministers of the environment, including the minister of the environment for Alberta, of harmonization where we share responsibility, not just a giveaway.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ.): Mr. Speaker, knowing that the Leader of the Opposition dissociated himself immediately and the day after from Mr. Parizeau's words, I would ask the Deputy Prime Minister through you if she will have the decency to apologize in this House, asking the pardon of the Leader of the Opposition for having put words in his mouth that he never said and for which he apologized publicly. I would ask her to have the decency to withdraw her words.

• (1440)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it must be kept in mind that the present leader of the Parti Quebecois was not the first to bring up race. In fact, in a speech before the referendum, it was the hon. member for Lac–Saint–Jean who played the race card, who asked those in the French speaking white race to have babies.

I asked for an apology the next day. I have never, never heard any apology from the member across the floor, and I am still waiting for one.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the longer the Deputy Prime Minister talks, the more she piles it on, and the more she lies to this House.

An hon. member: Liar.

Mr. Bellehumeur: She is a liar.

Some hon. members: Oh, oh!

The Speaker: Dear colleagues, this is the second time today.

Mr. Bouchard: She is the one that needs speaking to.

Some hon. members: Oh, oh!

[*English*]

The Speaker: You can see, my colleagues, the reason why it is not acceptable to use unparliamentary language.

I would remind you with all respect, that we are the parliamentarians of Canada and this is where we have come to debate, with respect and with dignity.

[*Translation*]

I am asking once that the hon. member for Berthier—Montcalm withdraw his words.

Mr. Bellehumeur: Mr. Speaker, the Leader of the Opposition publicly dissociated himself from the words of Mr. Parizeau. I shall withdraw my words only once the Deputy Prime Minister has retracted—

* * *

• (1445)

NAMING OF MEMBER

The Speaker: Mr. Bellehumeur, I must name you for disregarding the authority of the Chair.

Pursuant to the authority vested in me under Standing Order 11, I order you to withdraw from the House for the remainder of today's sitting.

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

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[*English*]

NATURAL RESOURCES

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the Prime Minister has been promising us that big administrative changes are in the works. Under the Constitution, natural resources are the exclusive domain of the provinces, yet the federal government continues to meddle in this area of provincial responsibility. Reform's new confederation proposals would reduce the federal government's role in natural resources to a bare minimum.

What specific changes does the Prime Minister propose to reduce the federal role in natural resources?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I thank the hon. member for his question.

I can take this opportunity to explain that we are not meddling in the area of provincial jurisdiction. In fact, during program review last year leading up to the February 1995 budget, my department took the opportunity to consult with all the provinces. We have worked co–operatively and collaboratively with the provinces so that we do not have overlapping duplication any longer in the resource sectors.

We have defined our role and the provinces have defined theirs. As far as I know, they are reasonably happy with that.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the provincial ministers of energy and mines have been urging their federal counterpart to harmonize regulations. Over the past two months their letters to the minister have gone unanswered as they have tried to organize a meeting with her, the Minister of Intergovernmental Affairs and the provincial ministers of energy and mines and resources. In fact in a letter the ministers expressed "major concern about the lack of recent progress and the loss of momentum on harmonization efforts".

Will the minister arrange today a meeting with her, the Minister of Intergovernmental Affairs and their provincial counterparts to discuss the harmonization issue?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the ministers of intergovernmental affairs, both provincial and federal, are always discussing these possible changes. In fact just today I was in contact with one of them in order to try to see whether we could increase the harmonization in terms of questions of natural resources, decentralization, and the efficiency of the federation initiative.

We are working all the time, trying to reach new ways of governing the federation that are less costly to people and that permit the federal and provincial governments to govern where they are most efficient.

* * *

[*Translation*]

WELFARE

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

The minister will probably be interested to read in today's newspapers that during the first four months of the current fiscal year, from April to July, Quebec was $322 million over budget on welfare payments. This sad state of affairs is due to the fact that more families in Quebec are on welfare than was expected.

Will the minister finally admit that repeated cuts in unemployment insurance are to blame for this sharp increase in welfare costs in Quebec?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have been over this ground several times.

It is important to point out to the hon. member and to members of the House that in fact the rate of increase for social assistance caseloads in the province of Quebec has declined over the past year, from an average rise of about 8 per cent down to 1.5 per cent, which simply does not jibe with the facts she is putting out. Over the last four months, since the month of August, there has been a net decline of about 7,000 in the caseloads. The reason for that, as we know, is that we have been very successful in creating over 125,000 jobs in Quebec over the last two years.

• (1450)

Under the UI changes we brought in last year, we provided a special benefit for those on low income so that those who have dependants or children would be able to receive an additional $1,000 over and above their regular benefits, which meant that over 130,000 Quebecers alone were able to get those additional benefits.

This summer I was able to sign an important agreement with the Government of Quebec to provide $81 million directly to social assistance recipients so that they would receive an income supplement that would enable them to go back to work and receive enough income.

Rather than spending her time trying to argue about small minutia of details and figures, what we should be talking about is how we come together as two levels of government to help the real people who have real needs. That is the real issue.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if the minister refers to 20,000 more people on welfare as small minutiae, details and figures, in a so–called period of prosperity, at a time the government is about to cut welfare subsidies in the Canada social transfer, what will it be like in the next recession? This is unacceptable.

Will the minister finally admit that further draconian cuts he is about to make in unemployment insurance will put even more families on welfare and make the budgetary problems of the Quebec government even worse?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, contrary to what the hon. member and other members of the Bloc and the Parti Quebecois have been trying to say to the people of Quebec in a really quite deliberate effort to give out misinformation, I will tell the hon.

member that one of the most important elements we are putting together as part of the new unemployment insurance package is what the Prime Minister talked about in his speech last night. He said that we will provide basic protection for families on low income with children. It is something we have been talking about in this country for a long time, and we intend to do it.

I would say to the hon. member that rather than arguing old arguments she should be putting her attention now to helping govern this country better so that we can really help poor people, rather than simply trying to break up this country. That is the best way of providing security and civility.

* * *

SRI LANKA

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, my question is for the secretary of state for foreign affairs.

Canadians are concerned about the Sri Lankan government's current major military offensive on the people of the Jaffna Peninsula. The civil war and massive attack is resulting in a serious threat to the civilian Tamil population and the further displacement of large numbers of people.

Can the secretary tell the House what role Canada is playing to stop this bloodshed?

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Mr. Speaker, I would like to take this moment to pay tribute to our ambassador to China, who passed away Tuesday. Ambassador John Paynter served Canada well, both in India and in China. We offer our condolences to his wife Inga and his three children.

To answer the hon. member's question, indeed we are very concerned about the situation in Sri Lanka. This summer I personally travelled to that country on a fact finding mission. During that trip I told the President of Sri Lanka that we were disappointed at the unilateral resumption of hostility in Sri Lanka by the LTTE on April 19 after 14 weeks of peace. However, at the same time we also expressed our concern to the government that a military solution was not an option in Sri Lanka. We continue to urge the government and the LTTE to resume negotiations for a peaceful solution.

Canada has been saddened at the continuation and escalation of the conflicts in Sri Lanka and with the large loss of life. Canada totally condemns the slaughter of innocent persons, both Tamil and Sinhalese, in Sri Lanka in recent days. This slaughter is not helping the situation.

• (1455)

CANADA PENSION PLAN

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, yesterday the Minister for Human Resources Development admitted that the Canada pension plan is unsustainable. In response, he announced another tax grab. He is raising payroll taxes despite the fact that in his budget the Minister of Finance stated that payroll taxes are a cancer on job creation.

How high is the government planning to raise payroll taxes to prop up a system facing collapse?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member knows, the whole question of the financing of the Canada pension plan is under review.

We will be tabling in the House before the end of the year a paper that will put forward a series of recommendations. It is an area that must be worked out with the provinces. It is a joint sharing of responsibility to ensure that the tens of millions of Canadians who rely upon the Canada pension plan, which is a pooled sharing fund, will be able to sustain it and be able to give absolute certainty and surety to not only this generation of pension holders but future generations that the Canada pension plan will provide a very stable foundation for their security in old age.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, that last comment is not even worth responding to. The system is facing collapse by the year 2010.

Our plans for renewing the Canada pension plan include protecting seniors' benefits without raising payroll taxes. These are the kinds of positive changes Reform is offering in its new confederation.

Is the Minister of Human Resources Development prepared to roll back this tax increase and forget this obscene attack on jobs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member says she does not want to comment on the program that has been in place for several decades helping to provide protection. In fact the hon. member tabled a report from the Reform Party that would totally eviscerate any kind of security for disabled people, for survivors with children, for seniors, and which would eliminate all kinds of payments for low income Canadians.

This member is the authoress of a program that would totally undermine the public pension plan of Canada.

Point of Order

CANADIAN WHEAT BOARD

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, again today prairie farmers are attempting to freelance grain sales into the United States, increasing trade tension with the United States and risking the imposition of yet another cap on sales.

Is the minister of agriculture prepared to say today that he will not let Canada run the risk of being shut out of the U.S. market by telling Canadians that he is prepared to ensure the enforcement of single desk selling through the Canadian Wheat Board?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the law of Canada with respect to the powers and authorities of the Canadian Wheat Board is very clear. That law has been on the books of this country for a long time, and by and large that law has been respected. It ought to be respected.

Those who hold contrary views and wish to see some changes in the legal system that presently exists can bring their views forward and let those views be debated and discussed. We have established a procedure for that to occur.

I would advise those who deliberately violate the law that they are in no way advancing their own case. They are in fact in the process of undermining democracy. Beyond the point of the illegal nature of their actions, they are also raising the spectre of a very serious trade problem with the United States, which could undermine the incomes and the livelihoods of all Canadian farmers.

I would carefully advise those who contemplate violations of the law that they ought to respect the law, because illegal activity does not accomplish anything. Second, they are running the risk of very serious trade repercussions.

• (1500)

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[*Translation*]

PRIVILEGE

ORAL QUESTION PERIOD

The Speaker: The Leader of the Opposition is rising on a question of privilege. Could he tell me whether it concerns something that happened during Question Period?

Mr. Bouchard: Yes, Mr. Speaker.

The Speaker: The Leader of the Opposition, on a question of privilege.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, just now everyone heard the Deputy Prime Minister say I did not dissociate myself from the comments made by Mr. Parizeau on the night of the referendum. In fact, the very next day in a media scrum here in the lobby of the House of Commons, I publicly and clearly dissociated myself from his comments. I also pointed out that those who voted in the referendum on Monday were all Quebecers, that we are still all Quebecers and that no distinction should be made between the votes cast.

My statement was brought to the attention of the Deputy Prime Minister earlier today, twice in fact, by two Bloc members, but she refused to withdraw her accusation.

What she said implies that, by remaining silent, I approved of and agreed with what Mr. Parizeau said. This constitutes a violation of my rights as a parliamentarian and an attack on my reputation.

In the name of parliamentary democracy, I would ask you to discuss this with the Deputy Prime Minister and give her one last chance to do the right thing by asking her to withdraw what she said.

The Speaker: My dear colleagues, what the Leader of the Opposition heard or did not hear may be very unpleasant and he may feel aggrieved. However, in my opinion, what someone said or did not say constitutes not a question of privilege but debate. That is my decision.

Instead of seeking to continue what is in fact a debate, my decision is that this is not a question of privilege.

[*English*]

I have a point of order. The hon. whip of the Reform Party.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I may need your help on this. The closest I can get in Beauchesne's is perhaps citation 481(e). The point is this. The Deputy Prime Minister today made two deliberate falsehoods: one concerning, alleging—

• (1505)

The Speaker: I address myself, of course, directly to the whip of the Reform Party.

My colleague, the words that you have used that one of our members made a deliberate falsehood is not acceptable and I would like you to withdraw it.

Mr. Ringma: Mr. Speaker, I withdraw the words deliberate falsehood, although I believe it.

Some hon. members: Oh, oh.

The Speaker: I put it to you squarely, my colleague. Will you withdraw, yes or no?

Mr. Ringma: Yes, Mr. Speaker, I will withdraw the word falsehood.

Some hon. members: Oh, oh.

The Speaker: I accept the withdrawal completely, without explanation. I am going to let that sit there.

If the hon. member has a point of order, I would like him to put it to me forthwith.

Mr. Ringma: Mr. Speaker, my point of order is that there were two wrong statements made in the House this afternoon.

One accused the Reform Party of deliberately having a policy of not supporting the parade in Montreal and the other was a statement that the Reform Party deliberately wanted the yes side to win.

Those two statements are totally erroneous.

Some hon. members: Hear, hear.

The Speaker: My colleagues, it is not for your Speaker to judge that which is or is not erroneous in the statements made in the course of debate or question and answer period.

With all respect to my hon. colleague, the Reform whip, I would say that what he has said could be a point of debate, surely. If he does not agree with this statement, we go through this every day in here.

My decision is that it is not a point of order. I will hear a point of order from the hon. member for Calgary Centre.

Mr. Silye: Mr. Speaker, in light of what you had to do today in naming two members, does it mean that because the numbers have changed that we are now the official opposition?

• (1510)

Some hon. members: Oh, oh.

Mr. White (Fraser Valley West): We want the money.

The Speaker: That might be a point of clarification, but it is not a point of order.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, tone of voice in this place can be as important as what is actually said. During question period the Deputy Prime Minister, in answer to a question from the member for Beaver River, said that 51 Reform MPs were too busy doing other things to attend the Montreal rally.

The tone of voice used by the Deputy Prime Minister imputed motive and inferred that—

Some hon. members: Oh, oh.

[*Translation*]

The Speaker: We will have the Thursday question in a moment. I want to give my response here.

[*English*]

Colleagues, it is true that not only words may be offensive in this House, indeed unparliamentary. It is true that the tone of an answer might also cause your Speaker to say that such and such a statement is unparliamentary.

I was listening very closely to the debate. Although many statements today were offensive to one side or the other, in my view as far as the decorum of this House and the conducting of the question period are concerned, they were within the area of acceptability.

With regard to that question of privilege, I would rule it was not a question of privilege.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I rise, not on a point of order, but to ask the Thursday question. I would like our colleague to tell us what is on the legislative agenda.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am speaking today as government House leader.

The Speaker: You will forgive me, you look the same. The hon. government House leader.

Mr. Gray: Mr. Speaker, I want the record of the House to show I am speaking in a calm, measured tone of voice with no intention of sarcasm or innuendo.

Some hon. members: Oh, oh.

Mr. Gray: It is our intention to continue with the list of items already being considered by the House today. I am referring to second reading of Bill C–95, the reorganization of the Department of Health; third reading of Bill C–94 relating to fuel additives; second reading of Bill C–96, the human resources development department reorganization, and report stage and third reading of Bill C–52, the Department of Public Works and Government Services reorganization.

Tomorrow we would like to deal with Bill C–108, the National Housing Act amendments. We would then resume the list I have just read out.

Finally, we will be in ongoing consultations with the opposition parties about the scheduling of other business, including opposition days.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, may I put a question to the government House leader? My colleagues and I are deeply concerned about the government's fall agenda.

The facts, as I look at them, in the last 46 or 47 days are as follows. Just four new bills have been introduced in this House, no aging paper has been presented, no UI legislation has been tabled. There has been a refusal to call bills which the separatists object to. Twelve of nineteen bills were such—

The Speaker: I would take it this has to do with House business. With all respect, I would ask the House leader of the Reform Party to please put his question.

Mr. Speaker (Lethbridge, Ref.): Mr. Speaker, I will do that.

I plead with the government House leader to commit this House to a serious legislative agenda before the end of this fall session and I would like to know what it is.

• (1515)

At this point in time we have had no indication of any kind of serious legislation; not even the voice of intent, never mind something in concrete form.

Mr. Gray: Mr. Speaker, when we resumed the session I said we had some 30 measures waiting on the Order Paper from the end of the session in June for debate. I said that we would be proceeding in an orderly fashion with those measures as a priority.

I do not know why our colleagues think we should have scrapped all those measures. I thought they wanted a measure to tighten up the parole and correction system, Bill C–45. Now they are on record as opposing that. I thought they wanted a measure to have a better witness protection system, Bill C–58. Now they are on record as opposing that.

Now that we have dealt with a bill to create an environmental auditor general, they are in effect saying that was not worth while. Now that we are dealing with measures on dangerous fuel additives, they are saying they did not want those measures to be debated. Now that we have debated a measure to update our transportation regulations, the Reform Party is saying that was not worth while.

I will conclude my remarks without your saying anything, Mr. Speaker. I can see your face; a tone of voice is not necessary. On each and every one of the measures they participated in the debate. They put down amendments. They called for votes. By their actions they are saying the House leader for the Reform Party simply does not know what he is talking about.

GOVERNMENT ORDERS

[Translation]

DEPARTMENT OF HEALTH ACT

The House resumed consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is difficult to begin to debate a bill and be interrupted by question period, but I will nevertheless summarize a bit what I said and then to on.

We are debating an act to establish the Department of Health and to amend and repeal certain Acts. I had said that, in fact, the bill was aimed at replacing the name of the Department of Health and Welfare by the shortened title of Department of Health.

Generally, not a lot of sections have changed, but in reading this bill, we realize that certain sections have been changed, repealed or added, only some. In some cases we see that the government, as a good government, is once again legitimizing its authority and is giving the Minister of Health authority to intervene yet again in areas that are under exclusive provincial jurisdiction.

I gave a brief history and I am going to summarize what I said to conclude with the clauses I mentioned earlier, which provide the powers of the minister, who may intervene in areas of provincial jurisdiction.

Under section 92(7.16) of the Constitution Act, 1867, and according to the courts, the sectors of health and social services are exclusively under the jurisdiction of Quebec and the other provinces. Since as far back as 1919, Ottawa has been getting increasingly involved in these sectors, forcing Quebec even here to comply with so called national standards and objectives.

• (1520)

As far as we are concerned, federal initiatives in the area of health and welfare, except for those dealing specifically with certain groups of people—members of the Canadian Forces, sailors, Indians, immigrants and prisoners—have no clear constitutional basis. They depend entirely on the federal government's spending power, which allows it to take many more major initiatives.

In 1919, the Department of Health was created and the first subsidies granted. In 1948, the national health subsidy program was introduced. In 1957, the Hospital Insurance and Diagnostic Services Act was passed by Parliament. The Medical Care Act

was passed in 1966, and the Canada Health Act, known as Bill C–6, in 1984. The Canada Health Act replacing the 1957 and 1966 laws set national standards and imposed requirements limiting the autonomy of Quebec and the provinces. Bill C–6 set out provincial obligations: universality, accessibility, interprovincial portability, public administration, and comprehensiveness. Failure to meet these criteria may lead the federal government to withhold transfer payments to the provinces for health care.

As early as 1926, Quebec denounced the federal government's interference in the area of health, and the reservations then expressed by the Taschereau government were reiterated by every succeeding administration. Health Canada has become so big that its 1995–96 estimates set aside $1.5 billion for operating expenditures—$347 million for personnel costs and $703 million for goods and services—and $6.9 billion for transfer payments. However, this contribution to the provinces, which is, as I was saying, subject to compliance with national standards, does not prevent the federal government from going ahead with its own health and welfare initiatives, as shown by the list I just gave you on the subject of duplication.

The 1991 national strategy for the integration of persons with disabilities, with a budget of $46 million over five years; the 1991 federal initiative against violence, with a budget of $136 million over four years; the new horizons program; the seniors secretariat; the national strategy to reduce tobacco use; the national drug strategy; the national AIDS strategy; the pregnancy and child development program; the children's bureau, the national forum on health. All these initiatives directly encroach on existing programs. Such cases of overlap and duplication cost a lot of money.

I would now like to make a few comments on the government's red book commitment with respect to the national forum on health. With respect to health, the federal government does not intend to allow any slack to the provinces, as promised in the fall 1993 election campaign, when its intention to hold a national forum on health, if it was elected, was made public.

The federal health minister made no secret of Ottawa's centralizing designs. During its election campaign, the Liberal Party of Canada released a document entitled "Creating Opportunity: The Liberal Plan for Canada", better known as the red book. Reference is made in this book to being committed to holding a national forum on health, and the way this commitment is worded hardly conceals the federal government's desire to take control over health care in Canada. Let me read you what it says. "The role of the federal government should include the mobilization of effort to bring together Canada's wealth of talent and knowledge in the health care field." If that is not the expression of a will to centralize, I do not know what is. "This is a societal issue in which every Canadian has an interest. The federal government must provide the means to ensure that Canadians are involved and informed, and can understand the issues and the options."

• (1525)

On June 29, 1994, despite the objections of the provinces, the federal health minister announced the creation of this forum. To date, four work sessions have been held, and not one province is represented at this forum. The forum's mandate is to develop a vision of what the Canadian health care system will be in the 21st century; foster dialogue with Canadians concerning their health care system to ensure that, while respecting the general principles of the system and preserving its benefits, the renewal process under way will make the system better and lead to greater public health; establish priorities for the future and bring about a wider consensus on the changes that are required.

Following the invitation sent by the federal health minister, Mr. Rochon, Quebec's minister of health and social services, gave the following reasons, in a letter dated October 14, 1994, to explain why the Quebec government would not participate.

> The mandate of this forum is an encroachment by the federal government in a field which essentially falls under provincial jurisdiction, and that is unacceptable. The clearly stated objective of your government, which is to give the forum a mandate to define future priorities, in the context of health care reform, and to define the means to that end, is a direct intrusion in provincial governments' affairs. This is something that cannot be hidden behind the consultative nature you ascribe to the recommendations that would come out of this forum.

That was the Quebec health minister's response to his federal counterpart.

Quebec's health minister also pointed out that Quebec had not waited for the presumed leadership of the federal government to undertake a reform, adding that important concrete measures had been taken, that an extensive public hearing process had enabled Quebecers to state their views and their needs, thus fostering a joint effort to define priorities and means of action, and that, in recent years, the federal government had made major cuts in its transfers to the provinces.

What we have here is yet another measure which demonstrates the federal government's intention to get involved in the health sector. Indeed, Bill C–95 includes provisions which clearly give the health minister a legitimate power to interfere, yet again, in fields of provincial jurisdiction.

If we look at these clauses, far from acting in good faith by withdrawing from this area that does not come under its jurisdiction, the federal government has every opportunity to gradually take over areas of provincial jurisdiction when it is in its interest. I am not saying that this is a major bill; it has been portrayed as harmless and inconsequential, but the reality is far different.

Subclause 4(1) of Bill C–95 sets out the powers, duties and functions of the Minister of Health. It proposes that the minister's powers extend to "all matters over which Parliament has jurisdiction relating to the promotion and preservation of the health of the people of Canada".

The Department of National Health and Welfare Act contained a similar provision. Parliament's jurisdiction over public health could cause confusion. This provision should be more specific.

The following clauses are more subtle. Subclause 4(2) lists the health minister's powers, duties and functions, including "the promotion and preservation of the physical, mental and social well–being of the people of Canada".

This provision would give the federal government the authority and legitimacy to interfere in an area of exclusive provincial jurisdiction.

Subclause 4(2) then mentions "the protection of the people of Canada against risks to health and the spreading of diseases". This does not appear in the original act that Bill C–95 would replace.

• (1530)

This would allow the federal government to move to protect the health and safety of the people in the name of national interest and of the power to ensure peace, order and good government. Paragraph 4(1)(c) places investigation and research into public health, including the monitoring of diseases, under federal jurisdiction.

This provision creates a problem, since clause 12 provides that "nothing in this act or the regulations authorizes the minister or any officer or employee of the department to exercise any jurisdiction or control over any health authority operating under the laws of any province". There is obvious confusion here.

How does Health Canada plan to ensure this continuous disease control monitoring without having access to the necessary information? According to the Act respecting health services and social services, health care institutions are health agencies governed by provincial legislation.

Is that really a problem? Does clause 12 effectively limit federal intervention in health matters or is it a mere front put up to reassure the provinces, a line that the federal government will have no qualms crossing if and when it pleases, as it has done in recent years?

Clause 4 may therefore be interpreted rather freely and broadly. There certainly is cause for concern about the real scope of this clause, which can be interpreted many different ways and ascribed many intentions. This is how, as usual, the federal government tries to expand into provincial areas of jurisdiction through a seemingly simplistic and innocuous project.

But no one is fool enough not to guess what it is up to. Bill C–95 is another fine example of the federal way of doing things: silently, without making any waves, because it knows full well that no one agrees with its handling of health care.

Needless to say that, for all those reasons and many more—that my colleagues will have the opportunity to raise later on—, we cannot support in any way Bill C–95. Mr. Speaker, before closing, I would like to table the following amendment to Bill C–95.

I move, seconded by the hon. member for Joliette:

That the motion be amended by deleting all the words after the word "That" and substituting the following: "this House declines to give second reading to Bill C–95, An Act to establish the Department of Health and to amend and repeal certain Acts, because the principle of the Bill does not provide for including in the Minister's powers, duties and functions, the power to award full and entire financial compensation to any province wishing to exercise fully its jurisdiction over health".

• (1535)

[*English*]

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Bill C–95 is really not much more than a bill to change the name of the Department of Health. On that basis it is surprising that we will spend so much time debating it. If I asked a high school class how long they thought it would take to change the name of a department, they would tell me it would probably take a minute.

I see this debate being used by my colleagues as an opportunity to talk about health care in a broader sense and I will seize that opportunity too. This bill is what my House leader said it was a few moments ago when he said it was a pretty thin soup on the legislative agenda we have seen lately.

Let me start my comments about health care in general by making a statement I would like to have emblazoned across the forehead of my colleagues across the way as coming from the health critic of the Reform Party. I will say it over and over again until they finally recognize and plainly hear what I am saying: Medicare is our best social program. Medicare is the program I think we should protect with all our resources.

Let me follow that by saying U.S. style medicare, U.S. style medicine is absolutely unacceptable to Canadians and to Reformers. There is no desire anywhere in Canada to move toward a system like the U.S. has. How many times can I say that? How many times can I express it? How many times can I emblazon it on the foreheads of my colleagues?

Our public system which is tax supported, which is universal, which is comprehensive, which is accessible to all and which is publicly administered, is truly unparalleled. Medicare is our best social program. This social program however has some cracks in it. The cracks must be talked about and addressed. If

we simply stand idly by and let the best social program we have break down, we have not done what we should be doing as legislators.

I beg my colleagues across the way to stop the rhetoric. I beg them to stop this nonsense about a U.S. style two tier system. I beg them instead to listen carefully to the actual proposals I make. I beg them to actually debate with me those proposals line by line instead of with buzzwords, instead of with rhetoric, instead of with platitudes. Please debate the concerns.

Why does our medicare system have cracks? What are the cracks I see? I see an aging population in Canada. Each one of us knows that as we age, medical expenses go up. In the last three years of life, 70 per cent of our health care expenditures are spent.

I see new innovative technology coming along that was never envisaged when medicare came on the scene. I see organ transplants, joint replacements, things we never dreamed about when health care was set up. Some of those things are profoundly expensive. Some are very difficult to fit into the framework we have.

• (1540)

Finally what are probably driving the cracks, and I wish they were not, are the funding shortfalls. We are in a position now where the federal government is spending over $1,200 per person to service the debt, that is servicing the interest on our debt annually while we spend $268 per person on medicare.

If nothing else, those three things which are happening in medicare have produced profound cracks. Ignore them, pay no attention to them and our most valuable social program will not just have cracks, it will implode. It will not survive.

If anyone takes from that that I say medicare is finished or done, I will say it again: Medicare is our most valuable social program. It needs support. It needs protection. It does not need U.S. style two tier changes. How many times must I say it?

There are two routes to travel in health care changes. Surely we know that health care changes must come but there are two routes to travel as I see it.

One route is to ration the procedures we do. That is avenue number one which we are on today, the rationing of services. We can ration by waiting in line. We can wait so long that we scream, or sadly in some cases, we can wait so long that we die. Rationing by waiting.

We can cap budgets and say that this is all we can afford. Anything beyond that point will not be done. We can have 30 operating room days instead of 100 operating room days. We can close beds. We can actually remove them from the system. It is being done. We can fire nurses and say to them: "You cannot do your nursing any longer. Step outside the system. Maybe you would be just fine as an accountant". That is one route and the one I am afraid we are on today, the rationing of services. I decry that and say it will not suffice.

The other route we can travel is if our medicare system does not meet the needs of an individual, they should have the choice to step beyond the public system and access something else. That is where we should go. Please remember that does not mean tossing our good public system away. It means our tax supported system will maintain itself, but if medicare does not meet the needs of an individual patient, they should be able to step outside. I can only explain this best by giving some examples.

A little girl by the name of Stephanie, a tiny patient, has adenoid problems and fluid in her ears. She is in pain. This is not a life threatening problem but she cannot hear as well as she would like. She is constantly concerned. She goes in to get her antibiotic and the specialist tells her parents that Stephanie really needs to have her adenoids removed and the fluid drained from her ears. Her parents ask the doctor how soon this can be done. It is an eight–month wait in Nepean for that procedure today.

• (1545)

Stephanie is not in the worst difficulty, but what happens for the eight months she has to wait? She is on antibiotic every three weeks, and the antibiotic cost is about $40. There is actually some extra discomfort for her, so she misses play school. When she misses play school mom has to stay home from work or have a babysitter come in. Those things are economic, and I would set them aside and say that they are okay. But for Stephanie herself, the pain and disruption is there. Her parents ask what choice they have. The public medicare system is going to provide her service in eight months. Is there nothing that can be done? Yes, there is something a Nepean couple could do today. They could go to Rochester. They considered very carefully going to Rochester for their sweetheart to get her adenoids out.

There is another choice. I am sad to say that it does not exist in Ontario now. The choice is a little clinic in Alberta. This clinic is run by an ear, nose, and throat surgeon exactly of the same capability as hers. He got ticked off with the fact that the waiting list in Alberta was eight months. He said there had to be another way. There were not enough bed opening times for him to bring kids into the hospital. This is not a hard procedure. The facilities will cost him about $30,000, and he can get the operating room microscope, which is not that difficult to sterilize. He could do it in his office with an anaesthetist and the equipment for that. He wondered if there was a demand for this.

Today in Alberta he is doing that. The cost is $125 out of the patient's pocket. The waiting time is two weeks. Little Stephanie in pain is given the choice. This is what I want. I want Stephanie's parents to have the choice. If the public system and the eight–month wait is okay for Stephanie and okay for them, so be it. If they say that it is not acceptable to them, I want them desperately to be able to access that facility. And it should not be in Rochester; it should be in Ottawa.

If there is anyone in the Chamber who would deny that sweet little girl that choice, I want them to stand now. I cannot imagine a Canadian who would do that.

Thin edge of the wedge? Our public system cratering because of the potential of choice? Find me the country in this world that has a public system like Canada's and a complementary private clinic that has caused the public system to crater and I will sit down. There is no such country.

Let me take the other side of the coin now. My mother, who is living in Alberta, recently had a cataract operation. She had a choice. There is a clinic in Alberta that would do her cataract operation for $1,250 out of pocket, with a very short waiting time of two weeks. The waiting time in the public system for her was four months. "Twelve hundred and fifty bucks, boy, that's a lot of loot", says my mom. "How bad are my eyes? Not so bad at all. I can still watch TV. I can still read the newspaper. I think I will wait. I think I can easily wait for four months." And she did. Her surgery was performed trouble free. This was a public system providing for her needs in the way it should.

• (1550)

If there is no demand in Canada for options outside medicare, there will be no such clinics springing up. Interesting enough, in a country I am familiar with, some of the private clinics, these choice clinics that have sprung up, have now gone bankrupt because the public system has become so efficient, provided all the services, and pushed them aside.

Why do Canadians not have more confidence in this most valuable social program to say that it will crater if some choice springs up? How is it that this most valuable social program would not survive if there were choice and if the only choice were to go to Europe? It makes no sense to me whatever.

I talked about how funding goes down because of debt. What happens if funding from the government drops so low that there is not enough in a community?

Tomorrow I am going to my twin riding of Saskatoon to speak to the law faculty. I have already had the opportunity of being there. I found out that in Saskatoon the provincial and federal funds have given them no capital expenditures for the last three years—none. They said they had some things the people in Saskatoon want, and they raised through foundations $2 million—from corporations, individuals, and people who are involved in the health care field doing projects. They put those funds into capital improvements: equipment and new technology.

The public will not stand for an inferior product in health. Health is more important to Canadians than any other thing we have or we can give them.

I say again that the individuals in this country who will not debate this issue straight up with Reformers who are willing to talk openly about the cracks—not the explosions, not the breakdown, not a crisis, but cracks in our most valuable social program—are ideologically driven and not driven by care, not driven by health needs, and not driven by common sense.

I am going to end my discourse today by saying that medicare is our most valuable social program. The biggest threat to medicare in Canada is politicians who wrap themselves in some kind of a flag and will not truly address the issues.

[*Translation*]

The Acting Speaker (Mr. Kilger): We now move on to the next stage of the debate on Bill C–95. For the next five hours, members will have a maximum of 20 minutes to make speeches, and 10 minutes for questions or comments.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, first, I want to congratulate the minister sponsoring this bill. She has strongly and successfully defended the principles championed for half a century by the Liberal Party, while developing Canada's health care system. Over the years, medicare was threatened many times, sometimes from one quarter, sometimes from another.

• (1555)

True to the tradition upheld by her illustrious predecessors, the minister has just repelled the most recent attacks on medicare, and all Canadians are grateful for that.

This Liberal government is proud, and deservedly so, of all the pioneers who saw to the proper development of medicare. Successive Liberal governments improved the system, so as to preserve its soundness and effectiveness. This is why Canada now enjoys a health care program that is second to none, both from a technical and a social standpoint. The quality of our health care remains unsurpassed. Equal access for all is also guaranteed to the fullest extent possible.

Social development is contingent upon health. A healthy nation is a productive nation. It can enjoy those things that make life worth living, it stands a better chance of being happy, and its people can build a strong nation.

One of the ever present challenges faced by the health department is to find which policies and programs can best contribute to the health and well–being of Canadians.

Without taking anything away from Canadian health professionals, I want to congratulate the Minister of Health and Health Canada for giving priority to essential programs such as disease prevention and health promotion.

In the past, preventive medicine meant things like vaccination, which practically eliminated afflictions like smallpox, diphtheria and poliomyelitis for previous generations. Today, sophisticated tests and equipment warn us about dangers and allow Canadians of all regions to add many years of good health to their lives.

Twenty years ago, a Liberal minister of Health, the hon. Marc Lalonde, published a working paper entitled *A New Perspective on the Health of Canadians* which was to have an impact on health systems across the world. It was a visionary document for the time. It is comforting to see that so many aspects of Mr. Lalonde's vision have been realized thanks to the department whose name we are discussing today.

Many fundamental elements of the health system we know today came out of the Lalonde paper. The preamble to the Canada Health Act which mentions the social, environmental and industrial causes of diseases was also inspired by that document. The causal factor model which the National Forum on Health is now studying also comes from the Lalonde working paper.

According to *A New Perspective on the Health of Canadians*, and I quote: "When the full impact of environment and lifestyle has been assessed, —there can be no doubt that the traditional view of equating the level of health in Canada with the availability of physicians and hospitals is inadequate". The document predicts appropriately that, to improve the health of Canadians in the future, we will have to clean up the environment, reduce risks we expose ourselves to, and improve our knowledge of human biology.

This is the source of the reasoning in favour of social well–being, which is at the heart of this new bill, as members will note. This is the source of the arguments against tobacco and excessive alcohol consumption, which underlie Health Canada's tobacco demand reduction strategy, and the activities of the Canadian Centre on Substance Abuse.

This is the source of the arguments in favour of health research, which are guiding Health Canada in its laboratory work, and the Medical Research Council in its operation; the latter does not report to the department but to Parliament through the health minister. This is the source of the argument that everyone is responsible for his or her own health and must keep sufficiently fit to ensure his or her own well–being. As the members are aware, responsibility for the promotion of physical fitness was given back to Health Canada.

• (1600)

From now on, it is incumbent upon the health department to encourage Canadians to stay physically active throughout their lives because physical activity is essential to good health. Health Canada helps many organizations make physical activity more accessible and readily available to all Canadians in general and to the disabled in particular, because the latter are probably the ones who need it most and have to overcome the most obstacles in that regard.

With the reorganization of the health department—the main reason for introducing Bill C–95—another determining factor relating to the health of Canadians is being added to departmental operations. Product safety in now being transferred from the former Department of Consumer and Corporate Affairs to the Department of Health. Product safety does indeed come under the broader field of health protection. Accidents in the home and on the job are major causes of death and injury for people between 5 and 35 years of age. Because of such accidents, we have people who can no longer live a full life, economic losses and an increase in medical and hospital bills.

A lot of these accidents involve consumer and household products. Health Canada is responsible for the enforcement of the Hazardous Products Act. This act deals with the sale, the advertisement and the importation of certain hazardous products and ensures that consumers are well informed about the risks associated with the misuse of other products.

Before I conclude, I want to raise a point we seem to forget when we talk about what contributes to improve the health and welfare of Canadians. The provinces are, of course, responsible for providing health services to the public, but some health problems know no provincial boundaries. Their causes are deep–rooted in the social fabric of our nation.

For Canadians to enjoy good health, their basic needs must be met. They must have a job and a reasonable income and be able to care for their families. This is where the federal government plays an important part. It must help to maintain a viable economic structure so that these goals can be reached.

The Jobs and Growth government agenda will greatly contribute to improve the health of Canadians. We can expect positive economic results from the deficit reduction, which will help to improve the health of Canadians. We all stand behind Health Canada in this cause. These are the reasons why I wholeheartedly support Bill C–95.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I want to take this opportunity to comment on some of the things the hon. member for Macleod had to say in his speech. I notice the hon. member is not here.

The Acting Speaker (Mr. Kilger): I wish to remind the hon. parliamentary secretary that it is not within the norms of the rules of the House to make reference to the absence of any

member, particularly when we are all aware of the constraints put on our time at different periods.

Ms. Fry: I apologize, Mr. Speaker. I would like to comment on the statements of the hon. member for Macleod. With all due respect to William Shakespeare, methinks the hon. member doth protest too much in his speech when he continued to repeat over and over that the Reform Party did not mean to have a U.S. medical system, that the third party supported medicare.

The hon. member repeated this and repeated this to make a point. However, with respect, I would submit that rhetoric and repetition of words mean nothing when the actions following the words are supporting a two tier medicare system that would definitely dismantle Canadian medicare as we know it.

The hon. member spoke about waiting lists.

• (1605)

The Acting Speaker (Mr. Kilger): I seek some clarification from the hon. parliamentary secretary.

I recognize that the member for Macleod spoke prior to the last speaker who was a member of the government side and to whom the question and comment period is designated. I appreciate comment can be made about a previous speaker and then, in terms of relevancy, the member goes back to the intervention of the last spokesperson, the member for Pierrefonds—Dollard. I ask her to get to the comments of her colleague, the last speaker on the floor of the House.

Ms. Fry: Mr. Speaker, I would like to comment on medicare and on the way the system is to be restructured. It would deal, as my hon. colleague said just, with some of the structural changes that are necessary to move the system into the 21st century.

The cost of medicare and the changing of some of the ways that the system works, as I said in my speech and as the hon. member just reiterated, have to do with the fact that there are national concerns and a national interest in a new national Department of Health.

Research covers a broad spectrum. There are local areas of research and local areas of health promotion and prevention that must come from the provinces because they deal specifically with issues concerning regional problems, regional environmental issues, and regional and local differences that need to be addressed.

Across the spectrum there are broader issues concerning the whole spectrum of health facing all Canadians. It is efficient and effective for the federal government and for national health to take these issues into consideration. It is effective in that the data collection in one place creates a cost efficiency and a base where everyone can co–ordinate and use the information as they need it, rather than have duplication of service and duplication of information gathering in 12 different areas such as would come about if we allowed each province and each territory to repeat, to duplicate and to reinvent the wheel. They would deal with the broader issues of health care, promotion and prevention that cut across provincial boundary lines and have nothing to do with specific regional and local interests.

There is a specific role for the Government of Canada in research, promotion and programs pertaining to low risk babies. It is common to all Canadians; it is not specific to any one province.

If we are talking about efficiencies and appropriateness of care and appropriateness of effort, we need to focus on them, and it is appropriate for the federal government to do so. It is more appropriate for the federal government to do it than for provinces, as I said before, to deal with it individually. When the ministers of health met in the past they all agreed that it was a very real role.

In terms of safety it is much easier as drugs, devices and foods come into the country for one agency to assess and to deem whether or not they are safe. Goods and services travel across the provinces and therefore go to every person as far away as Prince Edward Island and Vancouver Island. Therefore safety should be carried across Canada so that there is one level of safety and it is not spottily done in different areas of the country.

The national interest of health and the need for a national Department of Health are not intrusive. It is an appropriate way for the federal government to look after safety, health promotion and prevention.

[*Translation*]

The Acting Speaker (Mr. Kilger): I would only like to know if the hon. member for Pierrefonds—Dollard has any comment to add to those that were made on his speech.

The hon. member for Pierrefonds—Dollard has the floor.

Mr. Patry: Mr. Speaker, I thank the parliamentary secretary to the minister of Health. I submit that today's motion is very important because it is a positive move for health. New emphasis will be put on prevention and the department of Health will assume responsibility for certain regulations, like the one on hazardous products and other similar products, and also for fitness.

• (1610)

I personally think that the future of health in Canada is prevention. We talked a lot about health care, but before things get there, there is prevention. That is the objective of the bill and I am proud of it.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the hon. member is a physician. He listened very carefully to my colleague in the Reform Party make a very eloquent and, I might say, one of the best speeches I have heard

in the House. He listened to his recital of the tragic case of Stephanie. The member must have had many patients who endured terrible pain and suffering because essential services were not available to them since the Canada Health Act rationed essential services.

The Minister of Health has often said in the House that we must provide Canadians with access, access, access to essential health care services and that we in the Reform Party were espousing ideas that would somehow limit that access. How is access served better when we have increasing costs, an aging population and increasing demand? When demand on our limited resources is actually increasing, how will we provide individuals with access to essential health care services?

We want to amend, not destroy, the Canada Health Act to enable private clinics to exist and to enable private services to be provided to Canadians. Only private moneys would be exchanged in the private clinics. Not a single dollar of taxpayers' money would be spent in the clinics. We would have a system that provides for greater access for all Canadians regardless of the care than what they have now.

How will our plan somehow destroy health care in the country when we will give better access to all Canadians regardless of their income?

[*Translation*]

Mr. Patry: Mr. Speaker, what struck me in the speech made by the member from the Reform Party, before my colleague made his comments, is that he told the House that the Canadian health care system is one of the best if not the best in the world and that he did not want in any way a health care system based on the American model.

I think that having private clinics, as suggested by my colleague, would be the beginning of the end of our health care system as we know it in Canada and the birth of a two tier system, one for the rich and one for the poor.

I am well aware of cases like the one mentioned by the member for Macleod, the case of Stephanie. Such cases exist in every riding in this country, but I think that, at the present time, the provision of essential services is good. Of course, there is room for improvement in the area of essential services, and these improvements must be made through prevention. I think that, without prevention, we will have problems in the future. But prevention is an essential part of our government's vision of health care, and that is the direction we are going to take as we move toward the next millenium.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I rise today to speak to Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts. To begin with, I feel I must remind my fellow citizens that health is a provincial jurisdiction.

Pursuant to subsections 92(7) and 92(16) of the Constitutional Act, 1867, and according to the way the courts have interpreted these provisions, it is clearly established and acknowledged that health and social services are exclusively a provincial jurisdiction.

• (1615)

Yet, federal interventions in matters of health are numerous and have been going on for a long time. As a matter of fact, since the beginning of this century, the federal government has passed the following acts concerning health: in 1919, the government established its own health department and gave its first grants: in 1948, the government launched a national health grants program; in 1957, it enacted the Hospital Insurance Act; in 1966, it enacted the Medical Care Act, and in 1984, the Canada Health Act which sets out the federal principles of the Canadian health system.

The Government of Quebec has always condemned the interventions of the federal government in matters of health. In 1926, the Taschereau government was the first to protest against federal interference in health issues. Since then, every Quebec government has done likewise.

As the years went by, all this intrusion by the federal government became increasingly expensive for the taxpayers of Canada and Quebec. Ottawa was able to be generous since it was paying its expenses with the provinces' money or with borrowed money. That is what put us all in debt.

I will remind members that, in World War II, the central government in Ottawa used the war effort as an excuse to encroach upon personal and corporation income taxes. Up to then, these taxes were collected exclusively by provinces. This supposedly temporary measure is still in effect today.

The federal government clearly gave in to the temptation to control more and more, without giving back to the provinces the tax powers they had before the war. It decided instead to grant subsidies, provided programs created by the Canadian government were implemented.

Such a control of tax revenues allowed the federal government to constantly centralize operations thereafter, which caused untold duplication and shameful waste of public funds. Worse still, to stay in office, several generations of federal politicians distributed gifts which created a burden of debt for future generations of Quebecers and Canadians.

At the present time, and despite the fact that it is clearly operating in a provincial area of jurisdiction, Health Canada looms large: its operating budget is more than $1 billion in 1995–96, while transfer payments to the provinces are $7 billion for the same year.

The federal government has never indicated that it intends to loosen its grip on the Canadian health system. Indeed, during the 1993 election campaign, the Liberal Party of Canada said in its red book, and I quote: "The role of the federal government should include the mobilization of effort to bring together Canada's wealth of talent and knowledge in the health care field.

This is a societal issue in which every Canadian has an interest. The federal government must provide the means to ensure that Canadians are involved and informed, and can understand the issues and the options".

For once, the Liberal Party kept its promise. On June 29, despite the opposition of all the Canadian provinces, the Minister of Health announced the establishment of the National Forum on Health. The mandate of this forum was, first, to develop a vision of what the Canadian health system would be in the 21st century; second, to promote dialogue among Canadians and Canada about the health system; and third, to define the priorities for the future.

• (1620)

Jean Rochon, the Quebec minister of health and social services, wrote to the federal health minister on October 14, 1994, to remind her of this:

> The mandate of this forum is an encroachment by the federal government in a field which essentially falls under provincial jurisdiction, and that is unacceptable. The clearly stated objective of your government, which is to give the forum a mandate to define future priorities, in the context of health care reform, and to define the means to that end, is a direct intrusion in provincial governments' affairs. This is something that cannot be hidden behind the consultative nature you ascribe to the recommendations that would come out of this forum.

Mr. Rochon further wrote that Quebec had not waited for federal leadership to adapt its health care system to today's needs and that he had already held major consultations with Quebec population.

The Quebec minister of health and social services reminded the federal minister that the cuts made in transfer payments to provinces with regard to health were not the best action a government could take to preserve and promote a health care system in Canada.

Those major cuts are a threat to the very principles advocated in the federal health act.

At the same time as the federal government was seeking to encroach on a provincial area of jurisdiction, it was unilaterally and drastically reducing its funding for health programs in the provinces of Canada.

In the spring of 1995, the National Council of Welfare, an organization whose role is to advise the health minister, warned her against such action and said: "It would be extremely hypocritical to reduce contributions to the provinces while raising the standards required of them".

But that is exactly what the government is doing right now. We should recall that when the finance department created the so–called EPF program providing transfers to provinces for welfare, health and post–secondary education, it was agreed that transfer payments would be indexed to the rate of growth of the Canadian economy.

Since 1986, however, the federal government has been cutting back constantly on those payments to reduce its deficit. It has been doing so unilaterally, without taking into consideration the provinces' capacity to pay. Between 1982 and 1995, it saved $8 billion on medicare alone, at the expense of Quebecers. Because of this shortfall, Quebec had to raise taxes to offset the federal withdrawal from funding.

A study by the C.D. Howe Institute has shown that, while spending for established programs financing remained stable between 1988 and 1992, other federal program spending rose by 25.5 per cent. In other words, the federal government told the provinces they should tighten their belts while it went on spending freely and increasing its deficit.

The lack of stability in the federal contribution to medicare is a serious problem. Payments are frozen, reduced, or deindexed at the whim of the finance minister and his financing requirements. There is no longer an agreed upon financing formula. The amounts are set unilaterally and arbitrarily by the federal government, irrespective of the real costs of the provincial programs.

This constant variation in funding, always downward, has become a nightmare for everyone involved in the health field.

What is more serious is that the Minister of Finance appears oblivious to the fact that he is playing not only with columns of figures but with the health of the men and women of Quebec and of Canada.

• (1625)

Last February, in his last budget, the Minister of Finance chose to once again reduce transfers to the provinces for health. As a result, Quebec will have to absorb a shortfall of $650 million for health and social services alone, in 1996–97, and 1.9 billion in 1997–98. One of the benefits of federalism, no doubt.

In the spring of 1995, the National Council of Welfare made the following comment on the planned cuts to funding Canada's health programs: "The projects announced in this budget—would have the probable consequence of bringing about the dismantling of a national system—of social services it took us a generation to build up".

The Minister of Health for British Columbia had the following to say about these cuts:

[*English*]

"Last February's budget which cut transfers to provinces for health—has forced provinces to look at unpalatable cuts that threaten medicare".

[*Translation*]

If the Canadian health system were really so dear to the heart of the Minister of Health for Canada, she would have followed the lead of her colleague from Notre–Dame–de–Grâce and opposed her government's last budget, which attacked social programs. She would have stood up at the cabinet meetings where these decisions were made, and would have held up against the Minister of Finance's figures the pressing needs of the Canadian people for quality health care. The Minister of Health could have suggested that the government seek its resources from the rich, with their numerous tax shelters, starting with the list of the generous bankrollers of the Liberal Party, and not forgetting the Minister of Finance's companies.

But that is not what she is doing. Today, she introduced a bill that perpetuates the federal government's control of health care, an area over which the provinces have exclusive jurisdiction. Paragraph (2)(*a*) and paragraph (2)(*b*) of clause 4 could easily be used by the federal government to interfere even more with the administration of health care in Canada.

The bill before the House today is hypocritical to the point that in clause 12 we read, and I quote:

> Nothing in this Act or the regulations authorizes the Minister or any officer or employee of the Department to exercise any jurisdiction or control over any health authority operating under the laws of any province.

When as a result of its budget cuts, the federal government drastically reduces funding for health care in the provinces, it affects the way authorities operating under the laws of a province function by reducing their capacity to maintain a level of services commensurate with the needs of the citizens of Quebec and Canada.

The Bloc Quebecois condemns this bill because it sanctions federal encroachment on provincial jurisdictions. Quebec has its priorities in the health care sector and should have the right to manage those priorities, in accordance with the present Constitution. This bill does not mention providing adequate and stable funding for health care. The minister has abdicated her responsibility in this respect and bowed to the imperatives of the Minister of Finance.

This bill constitutes an attack on the provinces while failing to deal with any of the pressing problems of the health care sector, so much so that even the most ardent federalists have decided to fight the initiatives of the Minister of Health.

The Ontario Health Minister, Conservative Jim Wilson, stated on September 19 that it was necessary to fight the federal government's insistence on dictating to the provinces its interpretation of the principles that should be the foundation of the health care system, and I quote:

[*English*]

"The federal government should be fought on principle for dictating its interpretation of medicare to the provinces".

[*Translation*]

That same day, Ralph Klein, the Conservative Premier of Alberta, also condemned the federal government's lack of flexibility, and I quote:

[*English*]

"Marleau—does not send a good signal to Quebec. It says there is no flexibility within the Confederation".

[*Translation*]

In a joint press release after a meeting of Health ministers, the provinces declared that the federal government's insistence on making unilateral decisions on health care funding, on interpreting standards or setting arbitrary deadlines for consultations was not helpful at all.

• (1630)

Since the federal government is unable to provide adequate safeguards for the health of Quebecers and Canadians, since continuing cuts are the main threat to the health of Quebecers and Canadians, the federal government should withdraw from the health care sector and transfer to the provinces the fiscal resources that would enable them to do the federal government's job far more successfully.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I did enjoy the hon. member's comments. I wish I could speak fluently enough in the beautiful French language, but I must speak in English. I am not good enough yet to carry on detailed conversations in French.

In health care, the needs of the people of Quebec are the same as those of the people in my province of Nova Scotia. All of the provinces have serious deficit situations and we have had to begin dealing with deficit reduction. I remind the hon. member that the province of Quebec has not attempted to reduce its deficit as the other provinces have done. This is a major concern in dealing with health care.

Another variant which occurs in the health care system is that some provinces give credence to many health care needs. For example, some of the provinces consider cosmetic surgery part of the health care program. Through the years in Nova Scotia we have had more than basic coverage in programs such as dental care for children, an excellent program covering dental care up to the age of 16.

What has happened under the broad umbrella of health care is the provinces have added on things encompassing more than basic health care. They cannot afford them. We have heard

recently that Quebec must close some 25 hospitals. This is not due to the federal government's cutbacks. This is due to the overspending and the additional encompassing programs which have come under health care.

What the federal government wants, and I ask the hon. member if this is not her desire too, is to preserve the health care programs for all Canadians as to basic needs, so that this is a very unifying factor for this country. Without the strong federalist approach to the health care needs, we will miss out.

[*Translation*]

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, I would like to remind my colleague of a few things. First of all, I thank her for her question and comments. I wish to remind her that, between 1988 and 1992, established programs financing remained stagnant. Meanwhile, the federal government wasted money on other programs, resulting in a 25.5 per cent cost increase.

So when they tell me that we must cut because of the deficit, I say we must start by cutting waste in defence spending, among other things.

Mr. Milliken: Ah, yes. The same old tune.

Mrs. Tremblay (Rimouski—Témiscouata): Funding for health care programs remained stagnant from 1988 to 1992.

Mr. Milliken: You must calm down.

Mrs. Tremblay (Rimouski—Témiscouata): Let me speak, you, the hon. member across the way.

The Acting Speaker (Mr. Kilger): Order. I simply wish to remind my colleagues from both sides of the House that they must always address their comments to the Chair. I think that members would even then be able to express themselves as forcefully as they need to. They must, however, always remember to address their comments to the Chair.

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, fair enough, thank you for reminding me. Before saying what she said about Quebec, my colleague should get her facts straight. Quebec has made major changes to its health program.

• (1635)

Quebec may even have lost the referendum because of these. One of the reasons why we lost the referendum may be the Rochon reform. So we made major changes in the area of health. Of course, Quebec provides health services that are not available in other provinces. For example, women can have access to abortion if they want to; other provinces do not offer this service. We have moved toward ambulatory care and reduced hospitalization time considerably. We have closed hospitals. We have modified the functions performed and services provided by some hospitals; some day hospitals now provide long term care and inpatient services.

So before looking at what is happening in the neighbour's backyard, I would invite the hon. member to look at her own province where, on the eve of the referendum, the Minister of Finance said he would no longer be able to control his finances if Quebec separated from Canada.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I want first to make a few comments on the hon. member's speech and then ask her a question.

The hon. member gave us a wonderful history of what has happened since 1919. At the end of that history, the hon. member mentioned it culminated in what we now know as Canadian medicare, which I hasten to say was enacted by a Liberal prime minister.

That medicare we know benefits all Canadians, including Quebecers. It is also the envy of the world. Every single survey and study that has been done has shown that 89 per cent of Canadians in every province, including the province of Quebec, believe it is something they would like to keep. It is important to them as Canadians. It is the most important thing we can possess as a country. In fact medicare and this history lesson led to something which is very positive and which Canadians still hold very dearly.

I also want to speak about the member's comment on the encroachment of the national health forum on provincial jurisdictions.

The forum is made up of members from every province, including the province of Quebec. The forum is made up of members of the public. It is not made up of people from government.

Perhaps the member could tell me whether she believes that the Canadian government does not have the right to speak to Canadian people in every province, which is what the forum is doing. The forum is not changing anything; the forum is having a dialogue with ordinary Canadians. Can the Canadian government not speak with ordinary Canadians? Something we promised in our red book was the ability to speak and to get input from Canadians, from real people and not just from government.

The hon. member speaks of cuts and interference in provincial jurisdictions. Health Canada's authority with regard to the Canada Health Act and with regard to medicare is a contractual one. The Canadian government signs a contract with provinces to receive money from the federal government. In turn, those provinces agree to the conditions based on getting that money.

The provinces do not have to accept any conditions, but then they cannot also accept the money because on a contract both

sides have an agreement. One side agrees to give money and the other side agrees to abide by certain terms. That is clearly what provinces do when they sign the contract.

Finally, the hon. member spoke of how cuts are affecting the provincial government's ability to provide services in Quebec. The Quebec government has a budget of $13.4 billion for health for 1995–96. That government made a cut of $565 million to its health care budget well before the federal government presented its cuts for 1996–97 within the Canada health transfers.

I ask the hon. member, why did her province's government make those cuts if it really needed money in the system? Why were there $565 million in cuts when the hon. member says that Quebec's health care system needs more money?

• (1640)

[*Translation*]

Mrs. Tremblay (Rimouski—Témiscouata): Still, Mr. Speaker, it is a sad day when you hear the kind of things we are hearing in this House. Attempts were made to convince the people of Quebec that there are no benefits to belonging to the Canadian confederation and, every day since we reconvened, evidence of a total lack of understanding of what is going on in this country has been building up. People are blind. Politicians are blind.

We are criticized, on the one hand, for not making cuts, and on the other hand, for making cuts too soon. I think that our government acted responsibly. An overhaul was required in the health care system, because funding cuts are expected. Shortfalls of $650 million one year and $1.9 billion the next year add up to nearly $2.5 billion over two years. It seems to me that the thing to do for a responsible government is to plan ahead. But where I find fault with this government across the way is when it decides to stop paying but wants to keep controlling everything anyway.

When I was young and lived at home, I lived by the rules my father had set because he was providing me with room and board. But when I moved into my own apartment and had my own money, I lived by my own rules.

When you stop paying, you lose the right to tell others what to do with their money. You have no right stealing a jurisdiction away from others and telling them: "Its is yours, but we can do what we want with it." So little sensitivity and understanding and so much arrogance, contempt and affront coming from you, Sir, is unacceptable, under the present circumstances. We have had it.

[*English*]

The Acting Speaker (Mr. Kilger): Before proceeding with the debate on Bill C–95 I would simply ask colleagues in the House on both sides that we continue this debate in a respectful fashion. We had all hoped and set out to do that with great commitment when we first came to this House following the last federal election which brought us here together to this House of Commons in this 35th Parliament.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I am going to support Bill C–95. The Department of Health is very important. It is the department of drug certification, the department of product safety and the department of health act enforcement. It is the department of defence against disease, that common enemy of all Canadians.

From time to time hon. opposition members have criticized the Department of Health. They say it spends too much money. I say it is money wisely spent and not at all more than its responsibilities require. Consider the array of vital activity the Department of Health supports under its mission to help the people of Canada maintain and improve their health.

• (1645)

Health Canada plays a major role in protecting the health of Canadians. This House has been preoccupied with paring back for some time, but hon. members know very well that certain demands on the system will not go away simply because budgets are cut.

Health threats allow no fiscal restraint. It is a challenge of the Department of Health to maintain an infrastructure that guarantees quality health care to Canadians in good times as well as in bad.

More than 2,000 people work in the department to protect the health of Canadians by regulating goods and services mostly under the Food and Drugs Act, but also under the air and water legislation.

Health Canada has an environmental responsibility to manage chemical and radiological hazards. Each year a way must be found and the resources must be provided to review 1,000 new medical devices before they reach the market.

Health Canada prevents or regulates the sale and advertising of dangerous products and warns consumers about those in circulation. With everything else on their minds, people do not want to be worried about those details in their daily lives. The department helps take that worry away.

Product safety is part of the larger picture in maintaining health. Accidents in the home and at work are a major cause of death and disability between the ages of 5 and 35, causing not only the loss of enjoyment of life but economic loss and heavy medical and hospital expenses.

Each year thousands of field inspections, almost 3,000 last year, are carried out among food and drug establishments. Each inspection leads to an average of five analyses of food, drug and medical devices, some 14,000 last year. The department is responsible for the nutritional quality of food, for making sure

that additives, agricultural chemicals and processing methods are safe.

In 1994 more than 77,000 tests of suspected illicit drugs were carried out. Health Canada administers the Narcotic Control Act. It also works to ensure that drug products which may be effective when used one way do not pose unacceptable risks in another way. All pharmaceuticals in use in Canada must be certified by the department. A revised drug certification renewal process is designed to improve protection of consumers and to increase their access to important new drugs.

Over the past year, investigations were conducted into 20 outbreaks of disease including TB, cholera, hepatitis B, hanta virus and the hamburger disease. We do not know enough yet about some emerging infections to be able to prevent or control them. Radio, television and the press report to Canadians every day on the gaps in our ability to track threats such as drug resistant bacteria and those surfacing viruses. The public is more knowledgeable than ever in history.

Health intelligence is shorthand for pooling awareness, information and understanding of health problems and approaches among various jurisdictions and health sector partners.

• (1650)

The Department of Health's laboratory centre for disease control is now strengthening Canada's health intelligence network. This initiative, which will include participation in a new global network designed to detect emerging diseases, is endorsed by the provincial governments. The provinces know that national leadership in this area is essential if we are to make the most cost effective choices among all available health technologies and options.

The path to the government's objective of getting more value for every dollar spent on health is paved by preventing illness before it starts and by promoting healthy living. Each dollar that goes to prevent ill health saves tens of hundreds of thousands of dollars in treatment costs.

Health intelligence is one of the tools used within the department to address perplexing and persistent issues, such as mental health, cancer, AIDS, family violence, heart and lung disease, and prenatal deprivation. The department supports research to determine what will enhance health. It then promotes these activities by education and awareness campaigns and by developing infrastructure and programs.

For instance, the department is at the penetrating point of a network of government programs for children. The clear understanding is that the future of children depends on critical input during the first year of life.

The government as a whole directs more than $15 billion annually to Canadian children and their families to support health and development. Health Canada provides a wide range of programs for children at risk of abuse or injury, social or physical diseases. This year its child development initiative includes a ground breaking childhood cancer information system and strategies to address children's mental health.

Hon. members have heard of the department's prenatal nutrition program to reduce the tragedy of infant disability due to poorly nourished mothers. This is a comprehensive effort that includes diet supplements as well as counselling in nutrition and lifestyle issues such as smoking, substance abuse, stress and family violence.

As we come to pass from one century to the next, we might reflect that when our great grandparents witnessed the last such passage, their average lifespan and that of their friends was many years less than ours. As recently as the 1930s the average lifespan of a Canadian male at birth was only 60 years. A baby boy born today can expect to live at least 25 per cent longer, the equivalent of an extra week per month, or 13 weeks annually, or 15 years of extra life. A female baby's longevity has been extended by 18 years.

Better nutrition, better housing, better working conditions, and better sanitation have been major contributing factors to our better health and longer lives. Also there are marvels of human ingenuity applied to the field of health. The cholera and typhus that assailed our ancestors was controlled. Our children were defended against smallpox, diptheria and polio by simple vaccination. We learned to deal pre–emptively with the ravages of syphilis and tuberculosis. In each we triumphed. We spared thousands of lives and prevented a huge loss to the productive capability of this nation. Billions of dollars have been saved in the cost of care.

• (1655)

The federal government spends many millions of dollars each year on health research and makes it available to all provinces, all hospitals and all doctors throughout Canada. The outcome of this research saves the lives of Canadians.

The unfortunate reality is that illness still exists. Diseases afflict us unpredictably and haphazardly. Most illnesses, especially the major ones, are blind accidents. We are only able to deal with them after they have made an appearance. We must use the methods of medical care for this.

In Canada fortunately, disease is not made twice tragic by having a sick person bear the cost of the treatment. Expenses are paid in full by Canada's comprehensive and universal medical insurance programs which pay family physician and specialist fees as well as the charges for tests, radiotherapy, chemotherapy,

surgery and hospitalization, any or all that are required. This system is a source of deep national pride.

Patients in some provinces were asked to pay the difference between what health care providers were charging and what their provincial health plan would pay. This practice became known as user charges. As well, some doctors were billing patients over and above the provincially approved rates. Extra billing and user fees were a serious threat to our national medicare system.

To stop this erosion the Liberal government of the day instituted the Canada Health Act in 1984. This established in law the five principles on which the system remains supported. Everyone is covered for all medical necessities. Access to care is on an equal basis. Coverage is portable among provinces. Administration and payments are handled by the public sector. It is this act which still governs the health care system that has evolved in Canada and which is the best health care system in the world.

It is the Department of Health that administers and enforces this act, this cornerstone of Canadian cohesion. It is this bill, Bill C–95, that positions the department even more surely to discharge its responsibilities so essential to our national interest. It is therefore my intention to vote for its passage which I trust will be swift.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I listened with interest to the member's speech. At one point in his speech he made the comment that sickness in Canada is not made tragic because the system pays for everything. I would like to tell a short story and ask a question of the member about that very aspect.

In 1989 a man I know noticed some blood in his stool so he went along to the doctor. The doctor said it looked pretty serious and that he would have to book the man in to see a specialist. It was going to take six weeks to see the specialist in Vancouver. That is not uncommon. Anybody who has been to a doctor and has had to go to a specialist knows that sort of waiting list is common in Canada. The man said to the doctor: "I am not prepared to wait six weeks for something that could be life or death. Give me the name of someone I can see in the United States because when it comes to life and death, I am prepared to pay".

The doctor said he would see what strings he could pull. The doctor pulled some strings and voilà, in two days the man suddenly received attention. It was not because it was fair that he jumped to the front of the line but because he made a lot of noise about it. He visits the specialist and the specialist says: "You really need an MRI to determine exactly the extent of the problem. It is going to take 10 weeks to get you an MRI at St. Paul's Hospital in Vancouver because there is not enough money to run it. It can only do five scans a day and only one of those is for anything other than cranial scans". If one has a cat that is sick they can take it to the MRI after hours and it can be scanned. A person can pay for their cat to be scanned but they cannot pay.

• (1700)

This person said: "I'm not prepared to wait 10 weeks for an MRI. Give me the name of a place in the United States". The doctor said: "Okay, if you go down to Bellingham, St. Joseph's Hospital can do it for you. Let me call and make the arrangements". He called up and the man was offered an appointment the very next day, not 10 weeks, the very next day.

The man decided it was a little inconvenient the next day so went two days later. He was treated like a client, not a number. He was shown into the hospital. He was not even asked whether he could pay or not.

I know this is the truth because it was me. The man was not even asked if he could pay. He was invited into the hospital. He had his test. He had the MRI. The doctor said to him: "If you will have lunch and a cup of coffee, in two hours come back and we will have the report written up and all the pictures for you".

I had my entire tests done and was back in Vancouver in four hours with the results that would have taken 10 weeks.

The worse thing about that whole exercise was when everything had been done, and I had been given the package, they said: "How are you going to pay for this?" I had to pay $1,000 U.S. to St. Joseph's Hospital in Bellingham when I would rather have paid it to St. Paul's Hospital in Vancouver.

What sort of a stupid system is this? This is not rich and poor. It is life and death.

When the member says that the Canadian system does not make sickness tragic he should think a bit more about real cases. It is real. Luckily I had the choice to go across the border and pay $1,000 U.S. to save my life. The sick, despicable system that the government continues to support would have resulted in my death because of the waiting lists and no choice.

All that the Reform Party wants in the health care system is choice. That is all it is. It is not to deprive anybody of anything. If I had been able to spend that $1,000 at St. Paul's Hospital in Vancouver I would have subsidized an MRI for somebody else who could not afford to pay. That is the principle.

That is why the eye clinics in Alberta work so well. That is why the waiting lists are down. The people who have a little extra money and are prepared to go some other place reduce the waiting lists.

I would like to hear the member's comments about that and why he would support a system that would have resulted in my death.

Mr. Culbert: Mr. Speaker, I am delighted to attempt to reply to the hon. member's statement and possibly a question.

He called the greatest health care system in the world, that is admired by citizens in every country throughout the world, a stupid system. Yet it is based on not how many dollars you have got in your pocket, but on need.

The hon. member did not go on. I see him moving out now—

The Acting Speaker (Mr. Kilger): Order. I would like to remind colleagues that we are not to refer, reflect or certainly not mention the absence of any member in the Chamber at any time.

Mr. Culbert: Thank you, Mr. Speaker, for reminding me of that. It is a usual courtesy that when one asks a question to wait around and hear the answer.

I am amazed that the hon. member would prefer the system of our good friends in the United States where there are literally millions of people who have no health care. We have all heard the horror stories of their losing a lifetime of savings, losing their homes as a result of a health problem some time during their lives. I am sure the hon. member was not suggesting that we should look at that type of system for Canada.

The principles that were put in place were put there to protect the health care of all Canadians so that all Canadians would be treated equally.

I would suggest to the hon. member that if his situation, to which he referred, was an emergency situation, most hospitals that I have been involved with over the years—I served on a hospital board for some 15 years—always set aside time both in their outpatients, in their emergency rooms and in their OR for emergency situations. They also schedule those selective procedures that have to be done. Some may be in day surgery, some may be a little more serious and take more time.

The world is not perfect in each and every hospital, but in the situation the hon. member describes that certainly his doctor—I am not being critical of his doctor—should have interceded on his behalf if indeed it were an emergency situation and obtained the OR time or the day surgery time and made sure that it was scheduled. There was some responsibility there.

• (1705)

We have the greatest health care system in the world. We see this on a daily basis. However, there is always room for improvement, which is exactly what we are doing. We are trying to work with the provinces to avoid those areas of duplication and to assist in putting together a better program.

The provincial health care ministers are trying to develop a better program that will continue to evolve and improve in order to make it even better than it is today. I suggest that it takes all the health care practitioners working to improve the program and maintain those principles who have made the health care program in Canada envied throughout the world.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): We have approximately two minutes left in the question and comment period. I would ask the hon. member for his co–operation that I might also give the member for Carleton—Charlotte equal time to respond.

Mr. White (North Vancouver): Mr. Speaker, I will give him time to respond. I thank him for giving me the opportunity to say that no, I do not support a United States style health care system. Neither does anyone else in the Reform Party.

Reform members have made it very clear that we support medicare plus which is a lot different. Sweden uses a similar system. I can also give an example from New Zealand of my 82–year old mother who needed a cataract operation. The waiting list in the public system was years. If a person is 82 and has to wait six years, then what? Since there is a choice down there she paid a couple of thousand dollars to have one of her eyes done. So many seniors did the same thing that the waiting list came down. When she went for her second operation she had it done within the public system and it only took two weeks. The waiting list vanished within a very short period of time.

We do not support a U.S. system. We support choice in addition to the present medicare, common sense.

The Acting Speaker (Mr. Kilger): I thank the hon. member for his co–operation. I would ask the same from the hon. member for Carleton—Charlotte.

Mr. Culbert: Mr. Speaker, indeed I will respect your wishes. I am pleased to hear that the hon. member and his colleagues support the health care system we have in Canada. I cannot speak at great length about the system that might be in place in New Zealand to which I believe he referred. I do not have any expertise in that area so I will not refer to that part.

However, I do know, and I have seen it personally over many years, of the benefits of the medicare system in our country. Yes, we can improve it. Yes, we should continue to work toward improving it and making it even better. It is a system that has been admired throughout the world and we should continue to promote and protect it for years to come.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, before I begin I would like to commend my hon. colleague from North Vancouver because he laid bare in the House a personal health care matter. I say to the people across the way who have been heckling him that if he had not gone

down to the United States he would be dead today. It is a very real example of how our health care system failed him as it fails other Canadians from coast to coast. The reason why he was able to have a life saving operation in the United States was that he had the money. That is what the government is preserving today. It is preserving a system that enables the rich to get better health care than the poor.

• (1710)

Today we are dealing with Bill C–95, an act to establish the Department of Health. It is a housekeeping bill, a bill of wordsmithing, a bill that changes words, a bill that does not have anything to do with devolution of powers, nothing to do with personnel changes, nothing to do with any vision to save health care in this country; health care I might add that is in critical condition and needs emergency help.

It is profoundly tragic that we have this bill in front of us. In the last two years the Minister of Health has yet to put a single piece of legislation on the table to amend and improve health care for Canadians, Bill C–7 notwithstanding, which did not come from her department but came from another source.

The minister keeps on saying that we do not have a problem, that we are moving toward reorganization. She claims that Reform members are in favour of a system that prevents access for the poor. The problem is access. Canadians are not getting access to essential health care services from coast to coast. That is the problem. The government is defending a health care system that is crumbling from within.

I will give a little background. When the Canada Health Act was written in 1984, the people who wrote it with very noble intentions simply could not envision the increasing costs, the increasing demands and the changing demographics of an aging population. That was not envisioned. Today we are using a health act organized over a decade ago to deal with problems that did not exist then. Therefore we see the failure that the Canada Health Act has in trying to address the problems that we have today.

If we continue to pursue the course we are on now we will not have a health care system in this country. We will only see people suffering to varying degrees. Those who will suffer the most are those who are the poorest. I will give an example.

Operating rooms are closing across the country. They are closing because hospitals have to save costs. However, waiting lists are increasing. In the hospital in British Columbia where I worked patients decided to have their own blood transfused and banked for operations in case they needed it. It cost the patient $125. The Minister of Health in British Columbia, Mr. Ramsey said: "No, you can't do that because it contravenes the Canada Health Act". One month later we had an acute blood shortage in British Columbia.

I had patients with fractured hips, bleeding to death, with low haemoglobins and no blood was available. If the province had allowed the autologous blood transfusions we would not have had that problem. Is that access? I hardly think so.

In Victoria the wait for radiation therapy for prostate cancer is 16 months. What happens? Patients are sent down to Washington state where an entire industry has grown to serve Canadians. Is that Canadian access?

People with carpal disorder in the wrists have to wait six months before they have surgery. They are off work six months. This surgery could be done in a private clinic within two weeks. Is that access?

Imagine one of your grandparents needs a hip transplant, Mr. Speaker, and is in severe pain. If they live in British Columbia, 40 per cent will wait over 13 months to get that hip replaced and all of that time they are in pain. Is that access? Not at all.

The health care system is falling apart. To get around this, those who are rich go down to the United States for their health care needs. The politicians in this government say that the Canada Health Act is sacrosanct. They say: "We the government are defenders of the health care for all Canadians because we want to ensure that they have access, because we don't want those terrible Reformers amending the Canada Health Act and having an American style system that enables only the rich to have access while the poor suffer". That is the complete opposite to what we have.

• (1715)

My colleagues and I never got involved in this matter to destroy health care. We saw the suffering occurring in emergency rooms in hospitals across the country. We got involved to save health care. We recognize there is a problem. We do not want to destroy health care. We got involved to amend the Canada Health Act to ensure that all Canadians, regardless of income, have their health care services performed in a timely fashion. My colleagues and I have given examples to indicate that is simply not occurring.

We have proposed a system that would amend the Canada Health Act to allow for private clinics. Basically people could pay money to a private clinic for health care services. Not a single penny of the taxpayers' money would go into the system. Is it an unequal system? Yes, it is. However, is it not better to have an unequal system with better access for all people than the relatively similar access we have today that provides for declining access for all Canadians. In the present system the rich can go to the United States for their health care services while those in Canada suffer and die.

In Toronto, where I trained, the waiting list for coronary artery bypass grafting is seven months. People are dying waiting for bypass surgery. I know a similar example happened in 1986 when I was finishing my training in British Columbia where

men and women in their fifties were dying waiting for bypass surgery in Vancouver. That is not access.

We have declining funds and increasing demands, but caught in the middle is the most important element of all, the patients who are sick, scared and worried. Their families are worried and scared. At a time of their greatest need our health care system may fail them. That is not what we want. That is not what Canadians want. That is not what the government wants. That is certainly not what the Reform Party wants.

I implore the Minister of Health and the government to stop the political rhetoric. Let us move away from political postering. Let us work together to build a new Canada Health Act that enables all Canadians from coast to coast to obtain their health care services in a timely fashion. We want to protect medicare, not destroy it.

We cannot sacrifice, as my hon. colleague from Macleod said, the most important social program we have today, the health care system. We simply cannot let that program, which is a defining characteristic of Canada, disappear. We must preserve it because it is the most valuable thing each and every one of us have as individuals.

As an aside I ask the hon. minister to look at some interesting work being done by one of the greatest minds in the country, Dr. Fraser Mustard. In Toronto he looked at the determinants of health care. He has a new vision with respect to health care. The determinants of health care are somewhat different from what we have seen in the past. A investment in the early development of children will pay Canadian society in many aspects in the long run.

I implore the minister to look at the work this man has done because it is ground breaking and something we can incorporate federally and provincially into the health care programs that exist today.

The government also needs a fiscal plan. As we unfortunately saw about six weeks ago, the IMF downgraded us by 50 per cent, saying very clearly to the Minister of Finance that if we do not get a plan to decrease the debt Canada would be in very serious and dire straits. We can read into it that our social programs will be in dire straits. Nobody in the House wants to see that. We want to preserve them in a financially sustainable fashion. Health care will suffer the same blows as all other social programs. Unfortunately sick people are the ones who will suffer.

• (1720)

I implore the hon. Minister of Health to speak to the Minister of Finance and other cabinet ministers to look at our zero in three plan and utilize aspects of it to put our fiscal house in order.

One of my colleagues said today that rather than amending the Canada Health Act we need to look to preventive measures. That is all well and true. However, will prevention lower taxes on tobacco? Is prevention cutting the tobacco reduction strategy by 50 per cent? Is prevention putting legislation programs and plans in place that are actually increasing tobacco consumption, especially among the youth, by 10 per cent or 15 per cent.

Mr. Thompson: Liberal prevention.

Mr. Martin (Esquimalt—Juan de Fuca): That is right. The government is talking prevention out of one side of its mouth. On the other hand it is causing hundreds of thousands of youths to take up tobacco smoking and will cause between 40,000 and 200,000 premature deaths over the next 20 or 30 years. That is not prevention.

If the government had enacted sensible solutions with respect to tobacco, we could accept it and work with it. I cannot accept talking about prevention on the one hand as a solution to health care problems, while on the other hand lowering tobacco taxes and decreasing the tobacco reduction strategy. That simply does not make sense.

I implore the government to work with us to amend the Canada Health Act so that medicare can provide essential services to Canadians from coast to coast. It must also realize that we have a problem. Pedantic statements about preventive health care, saying that somehow we will build greater efficiencies into the system and quoting laparoscopic surgery as the panacea for health care cost control will not work. It will take more radical, thoughtful, sensitive changes for all Canadians to have their health care needs met.

It disturbs me greatly that members of the House across the way accuse us of wanting an American style health care system. They accuse us of saying that what is in our pockets when we need health care services is what matters. We deplore that. It is anathema to us and we will fight against those types of attitudes every way we can. In my estimation as a physician we are the only party in the House putting forward a plan to save not only health care but all our social programs.

If we can put aside the political rhetoric and work together to build strong and sustainable health care and social programs, we can build a better country for all Canadians. We are building the country for Canadians from coast to coast. We are particularly preserving health care programs for those most in need.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I have been waiting here all day; there is nothing closer to my heart than work and health care.

I was fortunate at 12.30 today to listen to the great American fighter, Ralph Nader, talk about health care to the nurses association. He said that in the United States of America some 80,000 people died in hospital due to malpractice. That is more

people than those killed by accidents and those killed by homicides. His contention was that it was malpractice and that some doctors in their system were actually operating on Americans who had no disease at all.

• (1725)

We hear a lot about systems in the world. Mr. Nader said, and I think the parliamentary secretary from Vancouver Centre said it as well, that our system rates between one and three in the world. There is no question about that. Mr. Nader also mentioned that some 38 million Americans do not have any health care. He said the longest waiting line in the world is for those with no health care at all.

Our friends opposite talk about having a two tier system. I want to cover that point. We have a $72 billion pot of money. What happens if we start to shift the money over? Profit will motivate many people such as insurance companies. Most doctors are very good. I would not say anything against them because many of my friends are doctors. They follow the Hippocratic oath. They are well versed, Christian and want to help people. However, there is the occasional doctor who looks at the balance sheet.

I got a pile of books from a friend in Los Angeles on their medicare system. They talk about waiting lines as if there is a panacea in the United States. There are many scam artists in the United States. They go for capitation. If five doctors each have 1,500 patients and each patient pays about $200 a month, it amounts to a pile of money. A patient can select one of the five doctors. However if the doctor sends too many people for CAT scans and various other expensive procedures he is called before a procedure committee and the patients are stacked up.

There are no easy answers. Our system is good. It needs to be fixed. We cannot legislate against stupidity or when people do not do things right. If there is a waiting line for hip fractures I am sure the hospital board will allocate enough resources to shorten the line.

How does my friend from Esquimalt—Juan de Fuca envisage this two tier system? When people are sick and cannot pay for services we end up with a two tier system. The doctor says he will see the patient in the clinic across the street at night because there is not enough money in the system. That is what happens in a two tier system.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I am glad the hon. member raised a couple of points. He illustrated the salient misunderstanding of health care on the part of the government.

He spoke about taking part of the $72 billion and putting it into a private clinic system. That is what we are opposed to. Not a single penny of public moneys, not a single penny of taxpayers' dollars, will go into a private system.

When people are in the private system they have actually left the public system and are spending their own money. They are still contributing through their taxes to the public system and therefore the pot of money in the public system will be preserved.

Because the numbers of people on waiting lists in the public system will decrease there will be a greater amount of money on a per capita basis in the public system, which will provide for greater access and better equipment.

Another point the member raised was that if hospitals saw an urgent need for something they would find the resources or the money. The problem is that they do not have the resources. They are rationing all manner of services and are not getting access together. We have an opportunity not to duplicate any other system in the world but to enable an excellent system to continue to be excellent. We can do that by making the changes necessary to preserve publicly funded medicare in this country through amendments to the Canada Health Act. If we do not do that, we will not have a health act in this country. We will not have publicly funded health care access to people in this country in a timely fashion. That is going to be the tragedy if we continue on our present course.

The Speaker: My colleagues, 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*]

"ON TO OTTAWA" TREK

Mr. Simon de Jong (Regina—Qu'Appelle, NDP) moved:

That, in the opinion of this House, the government, on this 60th anniversary of the "On to Ottawa" Trek, should offer an unequivocal and official apology for the government of the day having perpetuated the following:

(1) having caused, through the use of violence as administered by the combined police forces of the Regina City Police and the RCMP the termination of the trek in Regina, Saskatchewan on July 1, 1935, with attendant loss of life, injury and imprisonment;

(2) having contributed to, rather than detracted from the plight of the unemployed by:

(a) forcing many unemployed young men into work camps,

(b) having prevented all the trekkers from coming to Ottawa to express their democratic right for better conditions in the work camps,

(c) abrogating its responsibility of providing the necessary leadership in a time of high unemployment which would have created decent and rewarding full time employment;

(3) displaying a total lack of policy initiatives which would have provided meaningful work and wages for the unemployed, and for the violent attack on the participants of the "On to Ottawa" trek.

He said: Mr. Speaker, it is with great pleasure that I have this opportunity to present the motion in the House today. This year marks the 60th anniversary of the "On to Ottawa" trek. This motion calls for an apology, which is 60 years overdue.

In Regina we have an historic marker set in front of the Regina city police station. On it appears the following:

At 8.17 p.m. July 1, 1935, rioting erupted here in Market Square when RCMP and city police arrested the "On to Ottawa" trek leaders as they addressed trekkers and city residents. Rioting then spread to the 11th Avenue and Scarth Street area. Ending near midnight, it left extensive property damage, numerous injuries, and a city policeman, Detective C. Millar, dead.

The trekkers were single men en route to Ottawa from B.C. to demand better conditions in relief work camps set up for the unemployed. They were stopped in Regina on June 14 by the federal authorities, who feared a revolution if the trek reached Ottawa. At a meeting between trek leaders and the federal cabinet, mistrust grew, and trekkers were prohibited from advancing or going home. To break the deadlock, Ottawa ordered the leaders' arrest. In the furor of the resulting riot, the frustration of the trek's failure and years of unemployment were released.

The next day the provincial government arranged for the trekkers to return to their homes.

Signed by the Government of Saskatchewan in 1979, the text on this marker refers to the tragic events known as the Regina riot. The text is short and temperate and barely explains why the provincial government signed an epitaph commemorating a riot. I will attempt to do that.

Facts will show that the riot was planned and provoked not by the trekkers but by the police on direct orders of the federal government, which in so doing illegally usurped the authority of the provincial government, which was in the process of negotiating a settlement with the trekkers.

The riot was the climax of a strike of the relief camp workers begun on April 4, 1935, in British Columbia. With a set of demands adopted at a meeting of the relief camp workers' union in Kamloops on March 10, 1935, the strikers stayed for two months in Vancouver and then started east to Ottawa to put their grievances before the government of Prime Minister R.B. Bennett.

Before arriving in Regina, the trek's ranks were augmented with new recruits. By the time the trekkers reached Regina the numbers had swelled to 2,000. Unbeknownst to the trekkers and the Saskatchewan government, Regina was their ultimate destination, not Ottawa.

Having stopped them in Regina, Prime Minister Bennett arranged to meet with a few representatives. He obviously did not want the entire trek to arrive in Ottawa, with however many more who would have joined along the way.

Unfortunately the meeting with the Prime Minister was unproductive. Bennett offered a temporary camp near Lumsden, Saskatchewan, where the trekkers would go until arrangements were made to return them to the permanent camps and the same inhumane conditions they had left. All along the only option the federal government was prepared to give the trekkers was no option. The status quo is the operative word.

When the trekkers' representatives returned to Regina from Ottawa, they attempted to undo the deadlock the Prime Minister's offer had presented by developing a revised proposal. They worked diligently to set up meetings with all the authorities. The trek leaders also decided to hold a public meeting to inform the citizens of the result of their meeting with the Prime Minister. Posters went up, and it was known that only a few trekkers would attend the rally.

• (1735)

Early in the morning on July 1, the trek leaders initiated negotiations with both the federal and the provincial governments in the hope of obtaining an agreement for an early withdrawal. One of the trek leaders, Arthur Evans, requested a meeting of federal, provincial, and trek representatives. The chief federal representative in Regina refused to meet with provincial officials but agreed to meet with the trek representatives at 10.30 a.m.

At this stage federal officials in Ottawa refused an excellent opportunity to reach a peaceful compromise. They refused any compromise whatsoever. However the trek leaders did not give up. They went to Liberal Saskatchewan Premier Jimmy Gardiner, who promised them a reply the following morning. The premier had arranged for a cabinet meeting that evening.

The fact is, when the trekkers were conferring with Gardiner the federal government was preparing warrants and strategy for the arrests of Evans and six other leaders of the trek. At the public rally that evening a crowd of 2,200 had gathered to hear a report of the trekkers' delegation to Ottawa. In this crowd there were no more than 300 trekkers, as most had already been informed and were slated to attend a ball game elsewhere. In other words, it was a known fact that the meeting was for citizens rather than trekkers.

Why the choice was made to arrest the leaders in front of a mass meeting of their supporters raises serious questions. Why they did not wait until after the meeting, after the crowd had left, to make the arrests has never been fully explained. However, it

does not take a rocket scientist to understand that it was the nature of the arrangements and the means by which the police carried them out that provoked the Regina riot. A more discreet and less provocative arrangement could have been devised and the arrests could still have been carried out successfully.

The riot that resulted from this action left plainclothes detective Charles Millar of Regina city police dead, scores of trekkers, citizens and policemen injured, and several trekkers and Regina citizens hospitalized with gunshot wounds. Downtown Regina was left in a shambles.

The riot began as the Premier of Saskatchewan and the provincial authorities were considering the trekkers' proposals. The provincial government had not been informed of police intentions. Premier Gardiner wired the Prime Minister late that night, both protesting the police action and offering to disband the trek under provincial auspices. It is not difficult to understand how this marked the beginning of a dispute between the federal and provincial authorities. Gardiner was fearful that the intransigent federal attitude would lead to a resumption of hostilities and he demanded the federal authorities take a more reasonable position.

The federal government had taken over provincial jurisdictions, starting with control of the RCMP, which had moved to organize the Regina city and railway police forces. Preparing for a showdown, the federal government also moved into other provincial areas, namely transportation, blocking the trekkers from access to roads and allowing them to leave only if they agreed to go to the camp near Lumsden.

The federal authorities had obviously taken it upon themselves to instruct the RCMP in Saskatchewan in the enforcement of the ordinary criminal law and not merely in matters under the Railway Act. This represented another violation of provincial jurisdiction.

Based on the exchange between the Bennett and the Gardiner governments, it is more than fair to say that the Premier of Saskatchewan placed the responsibility for the tragic end to the trek in Regina squarely on the shoulders of the federal government of the day. The premier was not by any means alone in believing that.

Ten years ago, on the occasion of the 50th anniversary of the "On to Ottawa" trek, I presented a similar motion in the House. At that time I had the benevolent support of one of our colleagues who now sits on the other side of the House. She said: "We should say that we are sorry. While it may not mean much in terms of individual compensation for the agony suffered by those people who lived through the Depression, it would certainly be a first step on the road to clearing the record". This is quoted from the Commons debate of October 7, 1985, when the present Deputy Prime Minister supported an official apology to the trekkers and the citizens of Regina.

• (1740)

She also stated: "And we, both as members and as the government, should apologize to the unemployed workers who were forced to take to the streets to seek their own rights, which they should have been given by the Prime Minister at the time, who abdicated his responsibilities in this respect".

Like our colleague in 1985, I now challenge the government to listen and redress this pivotal event in our Canadian heritage. I want to believe this government is different from the previous one. History need not repeat itself once again.

Ten years ago the Deputy Prime Minister and member for Hamilton East accused the Mulroney government of taking the same attitude as the Bennett government of taking a hands off approach to solving the unemployment crisis. She said: "It does not want to be involved in the creation of jobs because somehow Conservative governments see something distasteful in direct government job creation. In fact, the Bennett solution at that time was to send the workers off to work camps, where they lived in intolerable circumstances and in fact were not ever able to have the dignity of a democratic election in those particular camps".

The tables have turned. The hon. member now sits in power, where she can actually do something to ensure there is not only democracy but also employment, social justice, and a future for our young people.

This government started its term with job creation and the infrastructure program, but something terribly wrong has happened. This government has been hijacked by some group with another agenda.

The motion I have placed before the House might merely be regarded as a footnote in history were it not for the fact that history has a tendency to repeat itself. Since this year's budget, instead of jobs we got cutbacks and massive decreases in provincial transfers. Jobs, we are told, are not for the governments to create; they will appear out of market forces—as if Prime Minister Bennett has been resurrected one more time.

By leaving the provinces in the lurch, some of the provincial leaders are quickly turning the country's clock back to the 1930s. The present government still has an opportunity to make good on its election promises and the hope they offered. The federal government does not need to starve the provinces by abandoning its responsibility to the people. The deficit reduction plan does not need to be inhuman.

I agree with the endorsement from the member for Hamilton East of my 1985 motion, when in reference to the apology she suggested that "that act of good faith and goodwill on the part of the government would begin to restore the credibility this government has lost in insisting upon measures that are anti–worker, anti–family, anti–labour, and anti–union. Work must be done or the government's word cannot be believed. Now is the chance for the government to win back some of the credibility it

has frittered away since"—to which I add, the end of October 1993.

Let this government show us that it is not just another job eliminator party. The Liberal government has its chance to stand up and finally set the record straight by making to these people, the strikers, a general, all–encompassing public apology.

The Deputy Prime Minister further stated 10 years ago: "If it"—meaning the Mulroney government—"is truly sincere about beginning to gain back the confidence of young working people, young unemployed people, older working people, and older unemployed people to realize that the time has come for it to endorse an all–party resolution which calls for an apology to redress an event which occurred 50 years ago and which is indicative of the type of Conservative mentality which has led all Canadians to realize that Tory times are tough times".

The sad fact of the matter is that history, as I have just outlined, is in many ways and places across the country repeating itself. Many of the problems for which the trekkers sought solutions in the 1930s have returned in spades in the 1980s and continue in the 1990s. Once again we have massive unemployment. Once again we are faced with widespread business failures, farm foreclosures, personal bankruptcies, food banks, user fees, head taxes, and policies that are reminiscent of an era we had hoped to have surpassed.

The political repercussions and the legacy of the trek have a lot of parallels with today's environment. The National Council of Welfare's 1995 report on the last government budget states: "The policies of the 1990s will take us back to the 1950s". Recent statements and actions from at least two provincial governments would confirm that. In a 1987 article in the Canadian Review of Social Policy by Duncan Rogers, a former deputy minister of the Alberta Social Services described the 1950s period as "the remnants of the old relief days of the 1930s". He goes on: "It was not uncommon for children, particularly from larger families, to be apprehended as neglected and become wards of the crown simply because there was insufficient money available to the family".

• (1745)

The Liberal government is often accused of continuing the Tory legacy, while at the same time promising initiatives which will create jobs and opportunities for all Canadians. With nearly 10 per cent of our population unemployed, unemployment has become a chronic condition. Youth under employed is still worse, at 18 per cent. The rate for Canadians aged 15 to 24 years is nearly double the national average and costs the economy at least $4.5 billion per year.

However, that is not the dearest price we are paying. Canada now has the third highest rate of teen suicide in the world, which has increased fourfold since 1960. The social and economic conditions under which kids are living are creating a social phenomena described as existential despair. Is that the best country the world?

Will more jails and longer sentences deter the problems? They will do nothing if there is no hope for a future that brings rewards and fulfilment.

I acknowledge the tremendous financial debt this country and the public sector faces due to the gross mismanagement of previous governments. I acknowledge the challenge that lies ahead for all of us to begin to solve our financial problems. Surely we must find ways of dealing with our problems other than on the backs of the old and the poor.

As a Stats Canada study has shown, it is not increases in government expenditure that has created the debt. In fact, only 6 per cent of the debt is due to increases in public expenditure. The rest is due to loss of revenue and increases in interest rate payments. Of that 6 per cent increase in government expenditures, only 2 per cent is due to increases in social programs.

It is not the social programs which have created our debt. Yet it is our social programs that are paying for it. It is the cutbacks in health services, in unemployment insurance, programs to help train and create jobs for young people. That is where the burden is being placed to rectify the terrible, physical mistakes that past Conservative and Liberal governments have made.

We are in a period of declining standards of living. Recently, Stats Canada issued a report that in 1993 the average family income in Canada declined by some 3 per cent, inflation factored in. The decline for single parent families in that one year was 8.3 per cent. We are in a downward spiral.

New challenging solutions are needed, but the solutions of R.B. Bennett did not work then and will not work now. I challenge the government to come forward with new imaginative proposals to give hope to our young people, to give employment to our young people and to give young people a future.

I urge the House to adopt the motion to extend an apology for how those strikers were treated in 1935 in Regina some 60 years ago. They wanted to come to Ottawa to express their hope for a new future, to express their desire to work. They did not want welfare. They did not want the dole, they wanted jobs. Today the mass of unemployed young people are looking for work. They do not want handouts, they want a future.

I urge the House to adopt the motion as a symbolic gesture to our young people that we are concerned about their future.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I rise to speak to the motion of the hon. member for Regina—Qu'Appelle concerning the 1935 "On to Ottawa" trek and the Regina riot.

The hon. member's motion recalls a time and place far removed from the Canada of today. It was the time of the Great Depression, a time of staggering unemployment, prolonged and terrible drought and the near collapse of national economies. There were shrinking markets and falling prices, all of which contributed to human misery and hardship on a scale seldom seen before in North America.

• (1750)

This was a time when a woman working in a textile factory in Quebec could work a 60–hour week and earn only $5. The millions of acres of prairie wheat fields were turned into dust bowls and farmers walked away from family farms they had worked all their lives.

In 1929 when the depression began there were 107,000 unemployed in Canada. By 1933, the worst year of the depression, there were 646,000 unemployed, approximately one–quarter of the Canadian work force at that time.

The response of the Bennett government to the depression for younger men was to organize work camps. These work camps were organized under the Department of National Defence. The workers within them were paid 20 cents a day. This was an early and very harsh form of workfare.

Conditions in the camps were well described by the member for Qu'Appelle. They were camps in which work was done for the sake of doing work. "We are playing at highway building", reported the striker in his diary. "What a joke we are. We make a ditch one day and then change the plans and find that it is in the wrong place". A public servant for the Conservative government: "Not one cent of public money has been spent on reading material and recreational equipment".

The member has performed a service in drawing to our attention the consequences of this kind of attitude toward the unemployed and the consequences of using work camps, workfare or whatever to deal with the unemployed.

One of the workers wrote at the time: "It is really the fact that we are getting nowhere in the plan of life that moves us forward to march to Ottawa. We are truly a lost legion of youth rotting away for want of being offered a sane outlet for our energies".

The work camps were organized in B.C., it must be said, largely by communist workers. The workers organized for the trek to Ottawa and by the time they got to Regina in June of 1935 there were 12,000 workers. The Liberal premier of the province, Premier Gardiner, protested that the government of the day had decided to stop the workers there. Prime Minister Bennett met with the workers. The reply he gave them was very harsh and indeed he would not even let them talk.

On July 1 unfolded the tragedy that has been described by the member opposite. One policeman died and we mourn his memory. Dozens of policemen and others, workers obviously, were injured. It is a black mark in the history of the depression. It is a black mark in the history of the city of Regina as well.

The hon. member's motion suggests that the Conservative government of the day bears much of the responsibility for what took place in Regina and the judgment of history. The judgment of history in this case does largely bear out the hon. member's claim. I might add that during the depression solutions were not easy. Many kinds of solutions were made in various countries. The new deal in the United States was a very successful response to the depression but one that was thought to be authoritarian by many others.

There were responses. In Italy Mussolini responded by making the trains run on time but also causing wars in places as far away as Abyssinia and responses in Germany where public works projects did create jobs.

The party that the hon. member represents, the CCF, was formed during the 1930s and it sought solutions too. I quote from the Regina manifesto which called for complete social ownership and public management of the Canadian economy. It stated: "All financial machinery, transportation, communications, electric power and all other industry and services essential to social planning should be nationalized and operated by the state; furthermore there be no compensation for bankrupt private concerns for the benefit of promoters and for stock and bond holders".

That is not the stand of his party today obviously. I mention this only because we have to give credit to people's views and their times and not to support R.B. Bennett's decision on that day in this particular case. However we can recognize that for us to judge today what they thought then reflects the judgment of a later day. We cannot, except in exceptional circumstances, apologize for history. The only people who can apologize for what took place in Regina, July 1, 1935 are the people who made the fateful decisions that precipitated the riot and they are dead.

To apologize for the actions of a government in 1935 would be a well meant but futile gesture. If we cannot change history we can learn from it and we can look at the past wrongs through actions today.

• (1755)

If you look at the demands of the strikers in 1935, you can see that the men who marched on Ottawa have in many ways had their wishes come true.

The Canadian people tossed the Bennett government out of office in Ottawa in October 1935 and the Liberal government, which took office under Mackenzie King, righted many of the wrongs against which the strikers protested. For example, section 98 of the Criminal Code, which had been used for arbitrary arrest of strikers and others, was abolished.

By 1940 we had unemployment insurance in this country. After 1940, we built a social system that offered a kind of minimum that the strikers and the people in the depression did not have.

The best monument to the memory to the strikers of 1935 is the Canada we live in today. It is in our health care system which was created about 25 years afterward. It is in our system of unemployment insurance. It is in our comprehensive social services and it is in our fair hiring practices which was central to the protest made by the workers in Regina in 1935.

Look around and ask, could the "On to Ottawa" trek and the Regina riot happen in Canada today? The answer is an unequivocal no. The hon. member has done a service to the people by placing the motion before the House, but while I cannot agree with this call for an official apology, I can applaud the sentiment that inspired this motion expressing profound regret that this government, indeed, all Canadians feel for what happened to Canadians during the Great Depression.

It would be more fitting to honour the memory by taking the opportunity presented by this motion to re-dedicate ourselves to the principles of social justice that were lacking in Canada in 1935.

Let us then work together to build a country where there is social equality and equal opportunity for all. It seems wrong to look at our own times and compare them to the 1930s and suggest that the conditions today, in any way, resemble those of the 1930s. The pay for the young men in the work camps was 20 cents a day. There was no unemployment insurance. There was no health insurance. There was no social system. There were no easy answers as well.

Today, for whatever problems our economy faces, we have an unemployment rate that is probably one-third of what it was in the depression. We have protection for people who have lost their jobs. We have a government that is committed to creating jobs and work for Canadians and to maintaining a social system that protects the interests of all Canadians.

I hope members will agree, including the member for Regina—Qu'Appelle, that what we have accomplished since 1935 is itself the best memorial to the strikers in Regina in July 1935.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to address the motion tabled by the hon. member for Regina—Qu'Appelle, regarding the "On to Ottawa" trek which started in Vancouver and ended in Regina, on July 1, 1935.

I think it is important to tell our viewers how this episode came about, and to see if there are lessons to be drawn from it. It must be remembered that 1935 was one of the worst years of the Great Depression, which was probably the worst economic disaster of our century.

It must also be remembered that this disaster occurred at a time when governments were saying: "The less we get involved, the better it is. The less we try to control, the more we will promote wealth and its distribution". Reality, however, turned out to be quite different. There was an enormous lack of confidence in the economy. Unemployment suddenly soared to astronomical levels, which had nothing to do with reality, but which meant that people could not get enough income to ensure their survival.

We must not forget that, in those days, there were no social programs such as welfare and unemployment insurance. The safety net was not yet in place; consequently, those who lost their jobs had nothing to fall back on except begging.

• (1800)

Faced with this situation, the government of the day decided to set up work camps. Unfortunately, conditions in these camps were absolutely appalling, and this eventually led to the strike.

There is a lesson to be drawn from certain important aspects of this strike. We are about to launch a reform of the old age pension and unemployment insurance programs, and crucial decisions will also be made regarding things such as social assistance funding. It is easy, when you overlook certain factors, to make quick assumptions on the actual impact of such measures.

Finally, measures were established to ensure a distribution of wealth, a distribution of income and an opportunity to balance consumption. When essentially everything is in the hands of the rich, what remains, once the rich have taken what they require to satisfy their basic needs, becomes luxury. This situation moves the economy a lot less than if everybody had enough to live on and to feed their families.

This sort of strike, which was stopped by violence, happened because the government of the day lacked sufficient means to distribute wealth.

In order to avoid the excesses of the past and to permit redistribution of wealth, we must absolutely avoid behaviour such as that of the Government of Ontario, which drew up a list to show people they could live and feed themselves on $90 a month, forgetting milk for cereal and really crazy things. This sort of thing could lead to behaviour similar to this strike. We forget about respect for basic human dignity.

The other point we should remember is that mandatory work under unacceptable conditions is one thing that should be rejected as an option, because this too represents a failure to respect people's dignity. It leads to behaviour, which may not be justifiable, but which can be understood on closer examination.

There is also another component, which got less attention this afternoon, and that is police intervention. There have been a number of police interventions in Canada's history which have been more or less justifiable in the past. In this case, we are talking about an intervention that affected workers in western Canada in 1935.

In Quebec, there was another one that affected us in a very particular way. It happened during the October crisis in 1970, where a lack of control over police action resulted in unacceptable behaviour and unwarranted arrests, as was described earlier in connection with events in Regina. The same thing happened in Montreal and Quebec City during the October crisis in 1970.

As a state, as a country claiming to be one of the most democratic in the world, with highly interesting democratic practices we can boast of to others, we still have a number of lessons to learn from these examples, which must drive us to ensure that our police forces have very clear mandates and proper training to deal with the situations that arise. They must obtain mandates from a judge in special situations, so that such excesses never occur.

I think we can say, with hindsight, that these young men—for it was mainly young men in these work camps—represented in some way the future of Canada at the time the strike took place. The way that they were crushed is something that must never happen again.

• (1805)

One of the participants in the march, Joe McEwen, summed up the situation in a way by stating in the conclusion to his description of what happened "We were the salt of the earth". Young people, aged 20, aged 30, wanting to work, wanting acceptable conditions, not finding them, and taking steps to let the government know how dissatisfied they were. Their expression of the need for change fell on totally deaf ears which led to aggressiveness and unacceptable behaviour, probably on both sides, but this must serve as a lesson to us today to make sure that we are not demolishing everything that has been built and to avoid such situations.

If the next unemployment insurance reform requires, as we fear it will, 26 weeks of work rather than 20 weeks in the first year of eligibility for unemployment insurance, we will see an increase and a perpetuation of the current statistics which show more and more people on welfare because they are not eligible for unemployment insurance. This type of reform leads directly to violent behaviour, because when people cannot feed their families and provide them with the basic necessities it is somewhat normal for them to seek some way out, to show their dissatisfaction, sometimes in an aggressive manner.

The other reform from which similar lessons must be learned is the reform of old age pensions. Over the past 15 to 20 years, we in Canada have developed a program which has enabled our seniors to enjoy greater security than before, at least from the economic point of view. In the upcoming reform, we must make sure that this economic security is not threatened, so our seniors may continue to have a decent income, one that enables them to meet their basic needs and to make a proper contribution to society.

Often when these things are being discussed, there is talk of fearmongering and a desire to frighten people. I think we have to learn from the past and see that history often repeats itself. We must always be sure that rights are protected, and this is the main lesson I have learned from the motion, which asks the federal government to make an official and unequivocal apology for the reprehensible acts committed by the government of the day.

The main lesson I can draw today, in 1995, is that we must ensure that the government opposite, as Parliament, does not repeat the same mistakes and that it provides a system of social programs that meets the needs of the 21st century. Globalization of trade does not mean standardization of social programs and this seems to me to be the challenge of the 21st century for Quebec and for Canada.

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, as a Saskatchewanian born and bred, I cut my teeth on stories of the Dominion Day riots and the much worse events that actually took place at about the same time at the coal mine strike in Estevan.

I do not think there is anyone of proper mind who would deny that the work camps are a blot on Canadian history. I do not think anyone of my acquaintance would deny that the decision of the government of the day to arrest the trek leaders was stupid and unjustified.

Unfortunately, history is a chronicle of violence and injustice. Historical revisionism notwithstanding, there is nothing you can do to change history. As the bard said, "what is done is done and cannot be undone".

I am very uncomfortable with the principle of apologizing to people who suffered in the past because of my ancestors, if you will. We are faced with a stream of people who want to be apologized to for things their ancestors have suffered. At the moment there are Canadians of Ukrainian descent asking for apologies for the internment of their grandfathers and great–grandfathers during the first world war. There are Canadians of

Chinese descent asking us to apologize as a society for the head tax.

• (1810)

Where do we draw the line? Are we going to continue apologizing forever? I had ancestors who were dispossessed of their lands in Scotland in order to make room for sheep. Am I supposed to go out and ask for apologies from people who had nothing whatsoever to do with that? I do not believe so.

More important, besides the question of where to draw the line, what is the point? Nothing we say or do here can undo the evil that was done 60 years ago. To be meaningful, an apology requires a certain degree of contrition. Frankly, I do not feel any guilt for actions that took place in my province when I was just a little boy. I did not break any heads, and I am not acquainted personally with anybody who did.

If the hon. member for Regina—Qu'Appelle wants to assuage his personal conscience or wants to go on a guilt trip, I am not going to accompany him. I would respectfully suggest that if he really wants to do something he should take a few thousand dollars out of his bank account, track down each surviving protagonist and buy each one a bottle of the best. That would be a commendable and meaningful gesture, which I would applaud wildly.

What is being proposed here in the House today is meaningless; it is window dressing. We are not going to resurrect the dead. We are not going to heal the wounds of people who had their skulls cracked 60 years ago. Let us get on with our lives. We have more important things to worry about in the House.

I will not be supporting the motion made by the hon. member.

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, one interesting thing about being a parliamentary secretary is that one gets to stay up late. So here we are. I thank the member for Regina—Qu'Appelle for keeping me up this late and bringing the motion before the House.

The motion before us calls on the federal government, on the 60th anniversary of the "On to Ottawa" trek, to apologize for its actions at the time. According to the motion, the government's reaction to the march displayed a total lack of concern for the unemployed and the government was responsible for violence, loss of life, injuries, and the questionable jailing of several participants.

In proposing the motion the member has given us a chance to consider the progress we have made in the last 60 years. I would like to reflect on where we were then and where we are now as relates to the labour movement. That is basically all we can do, because we cannot turn back the clock.

On June 3, 1935, over 1,000 unemployed men began the "On to Ottawa" trek. They were frustrated and angry about their plight and determined to tell their political leaders and the nation that they deserved better. The trekkers made stops in Calgary, Medicine Hat, Swift Current, and Moose Jaw before arriving in Regina.

At Regina a delegation of eight men was chosen and sent to Ottawa to meet with the Prime Minister. These talks failed. After attempts were made to arrest the leaders of the trek the situation deteriorated rapidly, leading to the Regina riot. By the end of it one policeman was dead, several dozen protesters, constables, and bystanders were injured, and 130 protesters were arrested. The events of July 1, 1935 were incredibly traumatic and they stand out in the pages of our history. What then did the trek accomplish? What lessons can we continue to draw from it today?

• (1815)

I think we can draw a number of lessons. First, it is vital that we do not put ideology ahead of people's needs. Governments should never let adherence to a particular ideology or fear of a particular ideology blind it to the real needs of the people. Some parties in the House should take that message to heart.

Another lesson of the trek is that if we as a society aspire to economic prosperity and social peace, we have to encourage the involvement of citizens. People have to take advantage of the opportunity to act through anti–poverty groups, social organizations and trade unions.

We hear a lot of union bashing by right wingers these days, but it is a simple matter of fact that free societies and free trade unions go hand in hand. Societies that do not have a vigorous union movement challenging them to examine and re–examine their policies and attitudes are sorely lacking. The sweeping economic and social policy changes that we saw in Canada after World War II came about because the people demanded change to the status quo. These demands were translated into effective policies.

Without people who agitate—that is probably how I would classify my colleague across the way—criticize governments, challenge policies and organize their fellow citizens we would stagnate. We would not have made the progress we have in Canada.

It is because of the challenges issued by the trekkers and others that we have built up social policies that go hand in hand with economic growth and prosperity. For example, there is free universal health care. Not only is it socially enlightened but it gives Canadian businesses a competitive advantage. Medicare has reduced the cost of health care to the economy and has left more money in the pockets of individuals and businesses.

Similarly, good and balanced labour legislation that acknowledges the rights and needs of trade unions promotes stability in the workplace, improves productivity, maintains purchasing

power and results in the creation of pension funds that are then accessed for both public and private investment.

I could give other examples but I think I have made my point. Our collective experience with hard economic times, an experience that includes the "On to Ottawa" trek, has given us a certain perspective on social policy, a view of the meaning and purpose of social programs. In the short term the "On to Ottawa" trek probably did not accomplish much. In the bigger picture, though, it represents a shift in attitude. The work of the trekkers and other activists of the era contributed significantly to the rise of the Canadian labour movement.

The trek did not create a formal organization but it created stirrings among the unemployed and among workers. It created the conditions in which the labour movement could grow. Before a strong labour movement could take root, working people had to become conscious of their power, their value and their dignity. The "On to Ottawa" trek led to this awareness. Since then unions have become a major force in Canadian society. Unlike the United States where only 10 per cent of the workforce is organized, unions here are relatively healthy and represent about 30 per cent of workers in Canada.

Canadian society has developed in large part because of the work and prodding of trade unions. I value and appreciate the role they play in Canada. I have a significant bias as that is what I used to do for a living before I came to this place. The labour movement of today owes a lot to the "On to Ottawa" trekkers and to all other men and women who struggled to make the Canadian society more just, compassionate and democratic. With the rise of the labour movement came new labour legislation. A milestone was PC order 1003 in 1944 which put into law the right of workers to join unions and to engage in collective bargaining. That was not all that long ago.

Since then governments have adopted a number of laws involving work standards, workplace health and safety, and worker protection. I am proud our laws are much more progressive and responsive to working people than the laws in the United States.

• (1820)

In order that our laws continue to reflect and meet the needs of today's workforce we are in the process of a comprehensive review of the Canada Labour Code. In the spring we anticipate presenting legislation to the House for all members to consider. Our goal is to ensure a balanced system that benefits all of us.

Again I thank the member for introducing the motion. It reflects on how difficult times were for millions of Canadians 60 years ago. The changes the trekkers were trying to achieve was time well spent. It gives us an appreciation of how far we have come in working together to create conditions for social peace. This is a heritage we have to protect so that working Canadians can continue to build the country and continue to create opportunities for all.

I agree with members opposite who have spoken before me that we cannot go back in time to try to understand why people did what they did. However we can learn from our mistakes and we can advance as we have in the country. As I have mentioned, let us hope the lessons we have learned from the trekkers will be put into legislation. They will always have a place in our hearts and our history simply because they helped to start the labour movement in Canada.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, it was not my intention to speak but since there is some time remaining I will say a few words on the motion of the hon. member for Regina—Qu'Appelle, which I was pleased to second.

My reason for seconding the motion was to allow us to debate an event in Canada's history that serves as a reminder to us all of some difficult periods in our history that have in a sense given birth to many of the progressive pieces of social legislation and programs we now enjoy in Canada.

It serves us well to remember events such as the march to Ottawa, the "On to Ottawa" trek of 60 years ago, and the struggles our forebears undertook to pave the way for some of the social programs we regard with such pride today.

On the question of offering an unequivocal and official apology, I am not sure I would support that part of the motion for the same reasons that have already been expressed by my colleagues on both sides of the House. In this day and age we cannot judge the actions of our ancestors. We can only learn from them. I express that caveat in my endorsement of the debate the hon. member initiated.

I was a little uncomfortable with the member's attempt to compare current circumstances with the depression that led to the "On to Ottawa" trek and the unfortunate occurrences that took place in Regina on July 1, 1935. Canada has moved a long way from those unfortunate days. The struggles and the sacrifices of the workers who paid that price were part of what brought the country to where it is today.

• (1825)

Even though we presently have our own economic difficulties in Canada, in no way do they compare to the difficulties those workers experienced in the dirty thirties which have been eloquently described by the hon. member and others in this House. Those difficulties are part of the past which Canada must learn from.

With those caveats, I want to commend the hon. member for Regina—Qu'Appelle on having introduced his motion and on having brought our attention to this chapter in Canada's history. It has allowed members on both sides of the House to draw some lessons from that period in Canada's past.

The Acting Speaker (Mr. Kilger): Colleagues, we only have a few minutes left in this private members' hour. Would it be the disposition of the House for the member under whose name the motion stands to close the debate on this motion by taking no more than two minutes under right of reply and then we would adjourn?

Some hon. members: Agreed.

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, I wish to thank the members of the House for giving me this opportunity of closing the debate.

I do wish to thank the member for Cape Breton Highlands—Canso for being a seconder, in that way allowing the motion to be introduced today and allowing the debate. Since there was no member of my party here, his gracious action in allowing his name to be used to second the motion is greatly appreciated. I recognize as well that when he did that, he did not necessarily endorse everything in the motion, nor all the comments I would make.

Despite what some hon. members say, we cannot rectify the past. We cannot mend broken bones nor can we raise the dead, but it is important that in some instances we say that what was done back then was wrong. We should do it in an official way by extending an apology.

To me it then becomes a signpost in the evolution of our civilization. A formal act of this Parliament, for example apologizing and stating that what occurred in the Regina riot was wrong, becomes a signpost in our evolution.

I hope as well that what some of the hon. members particularly from the government side have stated is true, that there is a great difference between conditions then and now. Indeed, there are many differences. but the fear of many of us is that we are sliding into situations quite similar to the last depression.

That was one of the reasons I also wished to bring this item up. While there are differences, unfortunately there are also growing similarities, particularly the sense of hopelessness many of our young people feel, the lack of jobs, the lack of a future, the lack of opportunity. Surely those young men in those camps must also have felt a sense of hopelessness for the future which motivated them to start the trek to Ottawa to bring to the attention of Parliament the conditions which existed.

I hope those conditions will never return again. The reality is however that many of our young Canadian citizens face the future not with hope and aspirations, but with dejection and unemployment.

I hope the government and this Parliament will remember what the Bennett government did back then and will reject it as a solution to the problems we face. I hope that we will work together toward a new solution to the problem.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6.30 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

HOUSE OF COMMONS

Friday, November 3, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

Hon. Herb Gray (for the Minister of Public Works and Government Services) moved that Bill C–108, an act to amend the National Housing Act, be read the second time and referred to a committee.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I rise to move that Bill C–108, an act to amend the National Housing Act, be read a second time and referred to committee.

This is an administrative bill whose purpose is to increase the ceiling of mortgage loan insurance under the National Housing Act. This will enable CMHC to continue underwriting home mortgage loan insurance within the legislative limit. Bill C–108 will increase the existing limit on outstanding loan insurance from the current $100 billion to $150 billion. The bill also includes a provision to increase the ceiling further through appropriation in the future.

Members of the House should know that CMHC loan insurance is self–financing and self–sustaining and does not cost the government anything. The mortgage insurance fund is regularly evaluated according to rigorous insurance principles and is fully adequate to cover all insured losses as well as overhead.

[*Translation*]

While the amendments contained in this bill represent administrative matters, passage of this bill is essential to the continued operation of CMHC's Mortgage Loan Insurance. Allow me to take a minute to explain why this bill is important to Canadians.

[*English*]

The desire to own a home remains very strong among Canadians. Yet many people who can afford the monthly mortgage payments are still unable to access home ownership because they find it difficult to save for a down payment for a conventional loan.

With mortgage loan insurance, home buyers can secure up to 95 per cent financing with a lender because CMHC insures the mortgage.

[*Translation*]

Because CMHC assumes the risk of borrowers defaulting, mortgage lenders are able to supply more mortgages to Canadians. By reducing the down payment required to purchase a home, the Mortgage Loan Insurance Program makes home ownership more accessible to moderate income households.

It is a vital component of ensuring that all Canadians, regardless of where they live, have equal access to mortgage funds needed to acquire decent, affordable housing.

[*English*]

Let me give you an idea of the extent to which Canadians depend on mortgage loan insurance in order to fulfil their dream of owning a home. Mortgage loan insurance has allowed many people to become homeowners, some who would not otherwise have been able to buy, others who would have been able to make their purchase sooner because of the lower down payment.

In 1994 alone, CMHC mortgage loan insurance helped to house over 300,000 Canadian families at no cost to the government.

My colleagues will also be interested to learn that this means that approximately 40 per cent of the residential mortgage stock in Canada has involved financing by CMHC mortgage insurance last year. Without mortgage loan insurance, Canadians who do not have a 25 per cent down payment would generally never have access to home ownership.

[*Translation*]

CMHC Mortgage Loan Insurance has demonstrated the flexibility to facilitate innovation in housing finance. This is a critical feature, given that the needs of mortgage borrowers, and the market within which these needs are met, are constantly evolving. In 1987, the program was improved to allow for the insuring of second mortgages, an innovation that has been particularly helpful to people who need additional money for renovation.

[*English*]

In the following year, the chattel loan insurance program was introduced as a five–year experiment to cover loans made on mobile homes and to help people who choose this kind of affordable home ownership. This coverage for mobile homes has now been made a regular part of the mortgage insurance program as per the announcement made by the the minister responsible for CMHC at the beginning of this year.

• (1010)

In 1992 the mortgage insurance program was expanded to accommodate the reduced down payment for first time home buyers making home ownership even more accessible to moderate income households.

This program, called First Home Loan Insurance, has provided Canadians with their entry point to home ownership. May I reiterate to my hon. colleagues that the success of this initiative has been achieved without any cost to the government.

[*Translation*]

We want to ensure that CHMC can continue to provide that kind of market support in the future. That is why this legislation is before the House today. CHMC is continually reviewing the Mortgage Loan Insurance Program and regularly introduces changes to make it more effective and more convenient for both approved lenders and home buyers.

[*English*]

By exploring new housing finance options for Canadians we are looking to promote greater choices, lower the costs, increase the accessibility of housing finance and assist borrowers to meet their financing needs within their own resources.

[*Translation*]

CHMC will continue to encourage innovation and creativity in housing finance through the Mortgage Insurance Fund to promote greater access to housing markets for the benefit of all Canadians.

[*English*]

Besides helping Canadians to become homeowners, CMHC mortgage insurance has been key to the health of the housing industry in Canada. By fully protecting approved lenders against default on the part of the borrower, mortgage insurance encourages investment in residential construction.

The federal government, through CMHC, has been providing national mortgage insurance for four decades. CMHC has remained a significant player throughout this time with a mandate from the federal government to provide mortgage insurance to support loans to all Canadian home buyers regardless of where they live in Canada at the smallest feasible down payment and the lowest feasible cost.

[*Translation*]

Today, the private housing market is able to meet the housing needs of the vast majority of Canadian households. There is no doubt that CHMC's Mortgage Loan Insurance has played a critical role in that achievement. CHMC's Mortgage Insurance Program experienced a record year in 1994 in terms of volume. A number of unexpected factors led to the significant increases in activity last year. Mortgage rates dropped to their lowest levels in 30 years, much lower than anticipated. Low inflation has kept house prices stable and more affordable.

As well, the rapid and continued success of homeowner incentive policies, including the First Home Loan Insurance Program and the RRSP Home Buyers' Plan, contributed to record volumes of insurance activity last year.

[*English*]

When the Mortgage Insurance Company of Canada stopped underwriting new mortgage insurance business in April 1993, CMHC had to assume 100 per cent of residential mortgage insurance activity. Furthermore, a greater proportion of all mortgages have been insured by CMHC in recent years.

In 1994, CMHC insured 40 per cent of all residential mortgages initiated, up from 22 per cent in 1991. Because there is some lag time between insurance loans and receiving the reports from the approved lenders, it was only in 1995 that all the figures for 1994 were compiled. At that time it was realized that the $100 billion maximum aggregate loan insurance currently stipulated in the National Housing Act had been exceeded. For this reason the provisions of this bill are effective starting 1994. I hope members of the House will see fit to give swift passage to Bill C–108 so that CMHC can continue to promote access to home ownership through mortgage loan insurance.

• (1015)

As I have stated and as my colleagues are aware, the purpose of the bill is to increase the maximum aggregate mortgage loan insurance. This will enable CMHC to continue underwriting home mortgage loan insurance within the legislative limit. Considering the housing sector's importance to the well–being of the nation, CMHC is committed to a stable supply of housing that increases economic and social opportunities for all Canadians.

With CMHC's mortgage loan insurance program qualifying home buyers anywhere in Canada can secure up to 95 per cent of home financing with an approved lender. Mortgage insurance through CMHC also provides a means of introducing guarantees for innovative mortgage products to benefit consumers, for example mortgage backed securities which increase the pool of funds available for mortgages and competitive rates.

The corporation continues to develop new initiatives and adapt existing ones to meet the challenges of housing Canadians adequately into the new millennium. Among the new initiatives being examined are alternative financing mechanisms for homes such as reverse annuity mortgages and shared equity financing.

CMHC has a role to play in helping Canadians to access decent affordable housing. CMHC continues to provide social housing assistance to support more than 661,000 existing units that house over one million low income Canadians whose housing needs cannot be met through the housing market. This housing assists some of the most disadvantaged members of our society including seniors on fixed incomes, aboriginal people, persons with disabilities, single parent led families, social assistance recipients and the working poor.

To solve today's housing problems and define tomorrow's housing needs CMHC is involved in research and development both independently and with industry and government partners. CMHC's research into sustainable development, quality of life, housing technology and building science promotes good living environments that are safe, healthy and sustainable. As well CMHC is helping the Canadian housing industry to promote the Canadian housing system abroad by helping to develop housing export strategies to assist the Canadian housing industry to market Canadian housing technology, products and services in world markets.

[*Translation*]

Through its Mortgage Loan Insurance Program, CHMC continues to make housing more accessible for Canadians. The Corporation is also working to improve housing affordability.

The federal government through CHMC is committed to a stable supply of affordable and accessible housing that increases economic opportunities for all Canadians. CHMC's market housing programs promote affordable housing and equal access to financing through financial instruments such as mortgage loan insurance.

[*English*]

Moreover, CMHC provides mortgage insurance to all Canadians regardless of where they live in Canada at the smallest feasible down payment and at lower cost. To improve access to an affordable form of housing CMHC also provides mortgage insurance for manufactured housing, for example mobile homes. In January 1995 the minister of public works recently announced an expanded chattel loan interest program that includes resale of manufactured housing units.

CMHC also helps to ensure Canadians are well housed by pursuing and encouraging housing innovation and by developing national housing policies in concert with provincial and territorial partners, the housing industry and non–profit groups.

[*Translation*]

One important way CMHC levers the efforts of its partners in Canada's housing sector is CMHC's Canadian Centre for Public–Private Partnership in Housing. The Centre acts as a catalyst and a source of expert advice.

• (1020)

It brings together the public and private sectors, non–profit organizations and private citizens to develop low to moderate income housing projects without the need for government subsidies.

[*English*]

CMHC is also contributing to making housing more affordable through better housing regulations. The affordability and choice today program funded by CMHC encourages regulatory innovation in municipalities across Canada. The ACT program encourages the housing industry and municipalities to work in partnership to improve housing affordability and choice. More than 80 ACT projects are developing a wide range of practical approaches to streamlining approval processes, developing new forms of affordable housing, facilitating infill and conversion, and adopting alternative development and building standards.

As I have said Bill C–108 is an administrative bill. As my colleagues know, the bill is crucial to ensuring that CMHC can continue to offer mortgage loan insurance to Canadians. Through its mortgage insurance activities CMHC has been responsible for helping many Canadians become homeowners and we want to ensure that it can continue to do that.

[*Translation*]

I would like to take a few minutes to talk about a complementary initiative, First Home Loan Insurance, introduced by CMHC in February 1992, to make home ownership even more accessible for first time home buyers. Earlier this year, the Hon. David Dingwall announced that the maximum eligible house prices for First Home Loan Insurance were increased in 30 communities across the country.

This initiative allows more first time homebuyers to purchase a home with a down payment of as little as five per cent. Anyone who buys or builds a home in Canada as their principal residence is eligible for the lower down payment, as long as they have not owned a home at any time during the last five years.

[*English*]

First home loan insurance was initially in effect for a two–year period but was extended for an additional five years until 1999.

The 5 per cent down initiative has been a major success in helping to increase home ownership in Canada. Thanks to the reduced down payment home ownership has moved from a dream to a reality for the many Canadians who can afford

monthly mortgage payments but are having trouble saving for down payments.

The statistics speak for themselves. Since November 1993 over 210,000 Canadian households have taken advantage of the lower down payment to become the proud owners of either a new or existing home. In April 1994 a survey of Canadians who bought homes with less than 10 per cent down showed that 72 per cent of them would not have been able to purchase their homes when they did without the reduced down payment.

The first home loan insurance initiative is constantly being monitored to ensure that it continues to meet the needs of Canadians. CMHC is committed to helping Canadians who desire to own a home and have the proven financial management capability to do so.

First home loan insurance is an excellent example of CMHC's ability to adapt its mortgage loan insurance activity to ensure that Canadians can enjoy the benefits of home ownership.

Allow me to speak on the importance of Bill C–108 by describing an initiative of CMHC which has as its foundation the flexible use of the mortgage insurance fund. I am referring to the Canadian Centre for Public–Private Partnerships in Housing which I mentioned earlier. Allow me to take a moment to provide the House with some details about the important work being undertaken here.

The partnership centre was established by CMHC in 1991.

[*Translation*]

Its objective is to bridge the public and private sectors to facilitate the production of cost–effective and accessible housing for low to moderate income households, including those with special needs. The centre ventures into new areas through such means as innovative financing and tenure arrangements.

• (1025)

Much of the centre's activities are accomplished at the grassroot level with a view to encouraging a wide variety of people active in their community to become involved in newly created housing partnerships.

[*English*]

The partnership centre identifies opportunities and brings together potential partners to develop and implement public–private partnerships. It acts as a source of best advice by offering an advisory service to potential partners to identify the key legal, financial and regulatory issues that need to be considered in structuring a deal.

Since its inception the centre has ventured into innovative tenure arrangements such as occupancy rights, life leases, equity co–ops, as well as a home ownership equity partnership program. As at the end of June of this year the centre had facilitated the realization of 79 projects totalling in excess of 4,200 housing units.

Allow me to take a minute to outline a few innovative projects that have been made possible by CMHC's Canadian Centre for Public–Private Partnerships in Housing.

Vancouver's Khatsahlano Equity Housing Co–operative offers affordable housing for families. Equity co–operatives are ongoing housing co–ops that are financed entirely or partly from the investment of their members.

Traditionally aimed at seniors, they are now becoming an affordable housing alternative for a growing number of Canadians. This project demonstrates that it is possible to provide families with affordable housing options in a market where starter homes are very expensive.

[*Translation*]

Two non–profit groups in the province of Quebec, both dedicated to helping people with psychiatric and developmental handicaps, are buying and renovating houses and will run them as group homes. In Montreal, Centre de crise "Le Transit" is purchasing a house in a mixed residential downtown neighbourhood to accommodate eight adult residents referred to them by city–run and charitable social services agencies.

A similar project in Granby will house 12 residents in a triplex being purchased by L'Autre Versant Inc., a local non–profit group organized five years ago to provide homes for people with psychiatric and development handicaps. Both these projects are being made possible thanks to CMHC–insured mortgage loans supported by the Partnership Centre.

[*English*]

Clearly CMHC's partnership centre and its innovative uses of mortgage insurance are making great strides in increasing the supply of affordable housing for low to moderate income Canadians including those with special needs.

As I have stated before, Bill C–108 is an administrative bill to facilitate the continuation of mortgage loan insurance under the National Housing Act. As my colleagues well know, CMHC has an important role to play in helping Canadians gain access to home ownership.

CMHC's mortgage loan insurance with its mandate to provide equal access to Canadians throughout the country is important to achieving that goal.

CMHC has a unique role of ensuring equal access to Canadians throughout the country. This is one of the major factors that distinguishes CMHC's operation from mortgage loan insurance operations. Without CMHC's commitment to provide mortgage loan insurance in the small communities of the

country, places that private insurers have not traditionally wanted to serve, many Canadians might not be able to buy homes.

Let me illustrate how important CMHC loan insurance is to Canadians in small communities. Take for example CMHC loan insurance activity in the municipality of Brooks, Alberta, with a population of 10,000. In 1994, 137 households were able to access home ownership thanks to CMHC's mortgage loan insurance.

This year, as of September 30, 153 households became proud homeowners, again thanks to CMHC. Make no mistake about it, if CMHC were not in the mortgage loan insurance business these 290 families in Brooks, Alberta, might not have been able to buy their homes. I would further like to point out that these 290 households represent 83 per cent of the total number of 349 households who bought homes in Brooks, Alberta, during that period.

• (1030)

[*Translation*]

The government knows just how much Canadians value home ownership. It represents a major portion of wealth accumulated by households. For some it is a source of retirement income. It is also an important component of quality of life.

[*English*]

We believe that every Canadian should have access to home ownership. CMHC mortgage loan insurance can turn the dream of owning a home into a reality. It is therefore critical that CMHC be able to continue to provide mortgage loan insurance to Canadians now and in the future. This is why I support Bill C–108.

I hope my colleagues will see fit to give swift passage to this administrative bill so that CMHC can continue to help Canadians realize their dream of owning a home.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Good morning, Mr. Speaker. We will, of course, support the bill introduced by the parliamentary secretary since we agree with what it proposes to do, which is to increase the aggregate amount of loans that may be approved by the Canada Mortgage and Housing Corporation to $150 billion, but the fact remains that it all seems very unsatisfactory.

We must admit that, at the very least, there is something embarrassing, disturbing and unsatisfactory about the fact that we have before us a bill that reminds us that the federal government's involvement in the housing sector, through this flimsy vehicle, the Canada Mortgage and Housing Corporation, consists exclusively of loan guarantees.

We must not forget it has been some years—in fact, since 1989 but even more so since 1992—since the federal government withdrew altogether from the construction of social housing. Remember this: It completely withdrew from this sector, and I intend to give chapter and verse later on. There is something here that arouses a sense of outrage and indignation—and I hope the parliamentary secretary, who I know is sensitive to these issues, will share my sense of outrage and indignation—when we see that the federal government, with all the resources at its disposal, has nothing to offer except loan guarantees through the Canada Mortgage and Housing Corporation. Meanwhile, it has withdrawn from the construction of social housing, it completely abolished its co–operative housing policy in 1992, which the Liberals had promised to reinstate, and plays no role at all in housing renovation.

We have a definite problem with this. And anyone in this House who has a social conscience must feel the same. As for amending the National Housing Act and having a debate on housing, what are we entitled to expect from the government? We have a Liberal government that does not believe that poverty is acceptable, that believes that being a Liberal means embracing the philosophy of liberalism. Embracing this philosophy means believing that the state has a role to play in putting an end to the disparities in our society.

I know the parliamentary secretary agrees with me. As the member for Hochelaga—Maisonneuve, I am disappointed. And if the hon. member does not agree with the substance of what I am saying, I am sure that by the end of my speech he will have changed his mind.

The issue is one that concerns me, as the member for Hochelaga—Maisonneuve and as a former member of the board of a technical resources group that examined these issues. I have been involved in housing issues since I was 20, and I am now 33, although I may not look it. The fact remains that I have been involved in the housing sector for nearly 13 years. And I am shocked that this government has nothing to offer in the way of social housing.

It is particularly shocking this morning, when we are asked to discuss the role of the Canada Mortgage and Housing Corporation at a time when poverty, both in Canada and Quebec, is more widespread than ever before. This is serious.

• (1035)

As members of Parliament, we all represent ridings, and when it comes down to it, we all want to work for the people who elected us. We all know that housing, the right to have a decent roof over your head at a decent price, is something that is central to people's lives.

The debate this morning comes at a time when there is more poverty than ever before. Mr. Speaker, let me quote a few figures. When we talk about poverty, we should remember that in Quebec, to give you a very specific example—or perhaps we

should look at the situation in Canada as a whole, where the poverty rate is now 17.4 per cent. So what does poverty mean? Poverty is when a household has to spend more than 55 per cent of its income on three basic items: rent, food and clothing.

We live in a society where poverty is more widespread than ever before. And since we live in this society, we have every right to expect the Liberal government to be a little more enterprising, to come up with a proposal this morning that is more intelligent and more pro–active than approving loan guarantees, since even the parliamentary secretary admitted this did not represent any additional cost to the public purse. The parliamentary secretary was very frank at the beginning of his speech when he said this was a program, a loan guarantee that was self–financing and did not cost the treasury a cent.

Is the parliamentary secretary satisfied? Does he approve of the fact that his government, considering its responsibilities at a time when more people are poor than ever before, when, according to Statistics Canada, we have never been so short of housing? When the parliamentary secretary goes to bed tonight with his beloved, will he be pleased that his government has nothing to offer but a loan guarantee which puts no strain on the public purse?

That does not satisfy me. I do not think that it is politically defensible. So 17.4 per cent of Canadian households are classified as poor. This means that 17.4 per cent of the population belongs to a household which spends 55 per cent or more of its income on the three basic items.

I know we are just coming out of a referendum campaign, and that events in the months to come will mean that the issue is not totally closed, but speaking as a levelheaded, rational man—two qualities which I think the parliamentary secretary will agree describe my character—I feel that, when evaluating federalism, it is our duty to recall that Quebec, as we speak, is the province with the highest rate of poverty.

As we speak, Quebec has the highest number of poor households anywhere in Canada. If the parliamentary secretary is sceptical, I can provide figures. The most recent figures available are for 1993: Newfoundland, 17.7 per cent of households; P.E.I., 9.9 per cent; Nova Scotia, 5.5 per cent; New Brunswick, 14.5 per cent; Quebec, 20.7 per cent.

This means that 20 out of every 100 households are those of people who are among the poorest in Canada. This is the reality the federal regime has inflicted upon us. And this is not a mindset, a political pipedream, but something confirmed by Statistics Canada.

So the figure in Quebec is 20.7 per cent; in Ontario: 15.6 per cent; in Manitoba, 18.1 per cent; in Saskatchewan, 17 per cent; in Alberta, 17.6 per cent. In a context where Quebec has the highest number of poor households, in a context where we are aware of the importance of housing in balancing individuals' and families' budgets, we find ourselves faced with a government that has nothing to propose except the addition of a measure like any other government action relating to shelter, a loan guarantee. One that they have the gall to describe as not requiring anything from the government, from the public purse, because it is self–sustaining.

• (1040)

As the member for Hochelaga—Maisonneuve, as an individual who believes in democracy, I wish to state that it is my belief that the government is not assuming its responsibilities, that this is shameful, that this is unacceptable, that it is just one more reason to separate, because we have no need of a government that cannot offer us anything in the area of housing.

If the parliamentary secretary finds that I am overdoing it, he has only to get up off his chair and add some substance to his proposals on housing—at this time, as we speak, all of my friendly feelings for the parliamentary secretary notwithstanding, we have every reason for dissatisfaction. But I want to get back to the subject of poverty in Quebec.

Quebec has 24 per cent of the total Canadian population. The federal government gains 23 per cent of its income from Quebec's individual or corporate taxpayers. Thirty per cent of all of those living in poverty live in Quebec. There is one other reality which characterizes Quebec and militates in favour of more government involvement in social housing: more Quebecers rent their homes than the Canadian average.

This means that more individuals in Quebec have insufficient income to own property. This is why we feel a government must be involved in social housing. What is social housing in its co–operative or NPO form? I shall come back to that later.

When a government sets aside public funds for social housing in co–operative or NPO form, this is because of a belief that there are people whose income alone, without a little help from the government, will never enable them to own property.

This is a trend which a self–respecting government, a government with some social democratic leanings will take action to correct—and I am sure that the Government whip either lives in a co–op or has plans to do so, since he shares our slight socialist bent.

All of this to say that, in Quebec, 44.4 per cent of households are tenants; 44.4 per cent rent their homes, while the Canadian average is 37.1 per cent. We would, therefore, have had reason to expect this morning that the government would have a somewhat more substantial policy to provide support to the provinces in the whole area of public housing.

I say "a somewhat more substantial policy" with respect to the provinces, because it is clear in my mind that federal government involvement in housing must take the form of a transfer of funds or budget allocations, where the funds are managed by the government of the individual provinces. I say this, because it is clear, constitutionally, that the federal government has no authority to intervene in the matter of housing.

When it does, it is obviously contravening the Canadian constitution, because neither section 92 nor section 93 accords the federal government jurisdiction over housing. We must remember, however, that, if the federal government is to be involved in public housing, as I think it ought, it is by transferring money to the provinces, which want to be involved.

No one is saying the government should not set funds aside. We acknowledge that it has a fiscal capacity, access to areas of taxation that justify its setting money aside for the provinces.

I have an example for hon. members. Quebec has a program, I do not know if the parliamentary secretary is familiar with it, called Logirente. It targets people 55 years of age or older, who have difficulty paying their monthly rent on the basis of their incomes alone.

The government of Quebec assists those who meet the eligibility criteria with their rent payments monthly.

• (1045)

Some 60,000 people benefit from this program at the moment. Quebec officials asked the federal government if it could also get involved and make some money available.

Had the federal government agreed, through an administrative agreement, to become involved in the operation of the Logirente program, we estimate that 145,000 households and families could have been helped, instead of the present 60,000.

This is the role of government. What is the point in having a federal government that could care less about getting involved in people's lives when the most fundamental of needs are at issue? You will not be surprised to learn that the federal government refused to get involved in the Logirente program, thus ensuring that 60,000 households rather than 145,000 could benefit from it. This is one case where federalism is not working, and where a sovereign Quebec could have, on its own and totally, a housing policy it alone established, one that functioned independently under its control.

I would like to come back to something I consider absolutely essential, something that could have helped us through the difficult years of the last recession and could help Canadians through the next recession. The program we must talk about and one I encourage the federal government to re–establish with the provinces is, obviously, the co–operative housing program.

Mr. Speaker, you will remember that, in 1992, the federal government of the day abolished it without so much as a warning cry, a hint of its intention or consultation of any sort. Of course the parliamentary secretary will say it was not his government. That is true. Nevertheless, his government has not taken any positive action to date to re–establish it. Despite the fact that the Canada Mortgage and Housing Corporation is relatively well off, we have not found a way to use public money to establish a co–operative housing program.

What does a national co–op program entail? First of all, a national co–op program requires that people be responsible since co–op members must choose a board of directors and acknowledge their responsibility to manage and maintain the building in which they live. This implies that they feel concerned about their environment.

There are now 40,000 people—I hope the parliamentary secretary will admit that these are real figures, and I invite him to check their accuracy—on the Canada Mortgage and Housing Corporation's waiting list for co–op housing. As a member of Parliament who believes in co–op housing, I am proud to remind you that, between 1973 and 1992, 85,000 units were funded by the provincial and federal programs then in effect, particularly by the federal government because it is mostly at that level that programs were available.

Co–op housing was found for 255,000 low income people. What is the reality? The reality is that, as we speak in November 1995, 66 per cent of households in co–op housing have incomes less than $30,000, or a third of what MPs earn. We should keep this in mind. We can still agree that, in 1995, a yearly income of $30,000 is certainly a modest or average income.

• (1050)

In the past, and especially during the last federal election campaign, I heard members say that some co–op members were making $60,000, $70,000 or $80,000, and that co–op housing was reserved for the better–off in our society. When we look at the figures a little more closely, we see that co–op housing is a tool available to the poor or to honest, middle class people, since 66 per cent of co–op members, 66 per cent of households, make less than $30,000 a year.

Thirty per cent of households in co–op housing across Canada are headed by single mothers. These women are their families' breadwinners. This shows that there is a need, that there are poor people who, for all kinds of reasons, were not able to buy their own homes.

It is reasonable to think that a decent government, one that lives up to its responsibilities and cares about the people, could not tolerate a situation in which the federal government has nothing to offer people with housing programs.

The main paradox of the federal government's withdrawal from the housing sector, especially from co–op housing, is that,

in the past three years, unemployment in the residential construction sector has hovered around 20 per cent. I think that the hon. members in this House would agree with that figure.

As our grandparents used to say, and I am sure that your grandmother also said it, "as the construction industry goes so goes the world".

Why is it that, with an unemployment rate of 20 per cent in the residential construction sector, the government does not realize that one way to revitalize the Canadian economy would be to promote the construction of co–op units?

Let us not forget that, for every 1,000 co–op units built—I have the figures here—2,000 direct jobs are created. The parliamentary secretary should never forget that, every time public assistance makes it possible to build 1,000 co–op units, 2,000 new jobs are created.

There are not many sectors in which government initiatives give a 200 per cent return. But in the housing sector, for every 1,000 co–op units built, 2,000 direct jobs are created.

Why does the government not understand that reality? Why is the government so dull witted and narrow minded? Whay can the government not see the obvious? Can we rely on those government members who represent ridings, in Montreal and in the regions, where there is a need for co–op housing? I ask these members to get a little more involved and show a little more respect for the people who need the government's assistance to take action.

The influence of the Quebec Liberal caucus on cabinet is aptly described by the movie title *The Silence of the Lambs*. We truly feel that the Quebec Liberal caucus has no desire to make representations to cabinet to correct the major fundamental injustices suffered by Quebecers because of policies put forward by this government, particularly in the housing sector.

• (1055)

Since 1989, the federal government has drastically reduced its support in the renovation and the co–op housing sectors, including its support to homeowners. That withdrawal has had the effect of destabilizing public finances, as well as the economic situation of the poor in our society.

Let me give you an example. There used to be a rehabilitation assistance program for rental housing, which allowed people living in non–profit housing to get financing for up to 50 per cent of the costs of renovations to a housing unit. That was a joint program, with the federal and the provinces, Quebec in this instance, each assuming 50 per cent of the costs.

Then, all of sudden, without any warning, without any consultation, and in a period of widespread poverty, the federal government withdrew its financial support to the program. This resulted in a $20 million shortfall for Quebec.

Let us take the important issue of social housing. There are, in every riding, people who live in low rental housing. We are proud of these people, because they are a very dynamic group within our community. People who live in low rental housing create a feeling of solidarity. They have community halls which often alleviate the problem of loneliness.

Mr. Speaker, believe it or not, the federal government bluntly withdrew its support to that sector. Since 1992, not a single low rental housing unit has been built in Canada or in Quebec. I am shocked and I find this irresponsible. I was hoping that, this morning, the federal government would have shown a desire to do more in the important co–op and social housing sector.

The Speaker: It being 11 a.m., we will now proceed to Statements by Members. Our colleague for Hochelaga—Maisonneuve will, however, have the floor again after question period.

The hon. member for Moncton now has the floor.

STATEMENTS BY MEMBERS

[*Translation*]

MINING

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, I would like today to speak to regulations in the mining industry.

[*English*]

Regulatory reform has been an issue of great concern to the government. A climate of change will serve as impetus to continue pushing these efforts.

Canadians in Quebec and across the country have made their voices heard and have called on us to continue to make the changes necessary to do business differently.

The mining industry is a prime example of where regulatory reform must take place. It is also one of the six economic sectors targeted by the government.

The Minister of Natural Resources has responded to the challenge with the Whitehorse mining initiative and most recently a new policy paper on sustainable development in mineral and metals that was unveiled in Vancouver in September.

All parties must be prepared to address this issue with greater vigour and with the conviction that mining is essential to our economic balance sheet. Mining is a $20 billion industry in this country and we need to ensure its viability for future generations.

[*Translation*]

We will do what has to be done to ensure the future of the mining industry.

* * *

[*English*]

INDIAN AFFAIRS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the Minister of Indian Affairs and Northern Development has stated that one element of fulfilling the government's red book commitment is to "not require blanket extinguishment of aboriginal rights in the settlement of land claims".

A few of the Yukon bands that signed the umbrella final agreement after 20 years of negotiations are now refusing to abide by its terms. They want to know if they might get more with the new inherent rights policy. They want to know if they can sign a final agreement for hundreds or thousands of square miles of territories now, and not surrender their right to ask for more 10 years down the road.

Instead of certainty, the government has created uncertainty. The minister must clearly state that a land claim is final, that self–government does not mean entrenching special rights based on race in our Constitution.

We all agree we must reach fair and affordable settlements of outstanding native claims but we cannot and must not achieve finality by sacrificing the fundamental Canadian principle of equality.

* * *

ERIC ROBINSON

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am most pleased to offer congratulations to Mr. Eric Robinson, named to the Atlantic Agricultural Hall of Fame.

Eric's love for agriculture can be seen in his family, his farm, his community, and the company that bears his name. The company maintains two farming operations and also buys and sells potatoes for the domestic and export markets.

Eric's extensive travels throughout North America and Europe resulted in the introduction of new equipment that led to complete mechanization of the potato industry in Prince Edward Island. He was one of the first to use a bulk harvester and to import and grow the Russet Burbank variety, now the common variety grown in P.E.I.

A volunteer to many organizations, Eric was a member of the original P.E.I. potato marketing board in 1950.

Although he claims he is retired, Eric looks in daily on the operation. Eric Robinson is indeed most deserving of this honour. Congratulations to Eric and his family on his induction into the Atlantic Agricultural Hall of Fame.

* * *

WILKESPORT COMMUNITY CENTRE

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I would like to relate a success story in my riding of Lambton—Middlesex, based not on government handouts but on true community spirit.

I am referring to the recent facelift of Wilkesport Community Centre in Sombra township. The hall was built 17 years ago by holding various fundraising events in the community. The community centre consists of of a 500–seat hall and three ball diamonds, which incidentally have brought Sombra township two Ontario championship teams and seven runners up.

Volunteers have given their time and effort to keep this hall successful by providing the township with a focal point for a wide variety of community events. Seventeen years later, this community is still strong and vibrant. The hall needed a facelift, and the community provided it.

My congratulations to all the residents of Wilkesport and area, whose hard work and dedication exemplify a united community spirit.

* * *

ED PEPPLER

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I would like to acknowledge one of my constituents who has returned from the Caribbean as a volunteer with the Canadian Executive Service Organization.

Mr. Ed Peppler of Hanover, Ontario recently completed a CESO project in Dominica. He was asked to start a furniture manufacturing workshop within a woodworking factory that was only producing small gift type items. Mr. Peppler oversaw the purchasing of machinery and taught the staff how to make furniture. The staff members were soon busy filling orders for the new products and were looking to hire three or four new people. The machinery, furniture, hardware, and tires for their vehicles were all purchased from Canadian manufacturers to help the plant.

Ed Peppler's efforts stand in the tradition of Canadian aid to the developing world. I and the town of Hanover, with its rich heritage in furniture manufacturing, and indeed the people of Bruce—Grey applaud the spirit of volunteerism and international co–operation of Mr. Peppler.

* * *

PARLIAMENTARY REFORM

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, on October 16 we witnessed an act of great courage in the House

when a government member stood to speak out against the way the employment equity bill was handled in committee. His words from *Hansard* were: "I am a first time MP. I never dreamed ever that laws were created in this fashion".

At least 52 other members in the House agree that changes must be made to the system so that Parliament will function in a much more democratic manner. The present system is perfect for enacting a political agenda, but Canadian voters who pay our salaries are fed up with having Parliament force its will upon them and they are voting for change in greater and greater numbers.

We need more system changers in the House. If this does not happen before the next election it will surely happen during the next election. In the meantime, I ask the House to join me in congratulating all members of the House who have already shown that voting to represent their constituents takes precedence over the orders of the whip or the party line.

* * *

NATIONAL UNITY

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, today I would like to thank the constituents of my riding of Prince Albert—Churchill River for their support for a strong and United Canada.

On Friday, October 27 a large number of Prince Albertans gathered to demonstrate their solidarity with Quebecers and support for a united country. Many others also signed a petition in which they stated their deeply held belief in Canada.

I wish to recognize four individuals from my riding who travelled to Montreal to attend the no rally: Lois Holcomb, Arlene Harper, and Jason and Karmen McNabb. I also wish to thank Val Longworth, who spearheaded a fundraising drive to assist these people to go to the Montreal rally. I also wish to thank those who financially contributed to this event.

• (1105)

While in Montreal I was particularly moved by the 150,000 voices singing *O Canada* and the outpouring of love for Quebec and Canada.

In closing, I wish to commend the constituents of Prince Albert—Churchill River for their commitment to our common values of democracy and tolerance and to a strong and united Canada.

* * *

[*Translation*]

HOLDING ANOTHER REFERENDUM

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, the Prime Minister is once again working to reduce the powers of the Quebec National Assembly, duly elected by the people of Quebec. This is 1980 revisited. The member for Saint-Maurice wants to use the defeat of the referendum to silence sovereignists and prevent them from holding another one.

In learning that he would not recognize a slim yes vote, we realized his contempt for democracy, but we would never have imagined that he would ever consider restricting the democratic rights of his own people. If this is how the Prime Minister of Canada responds to the 49.4 per cent of the population of Quebec that voted yes last Monday, Quebecers will do everything they can to retain their right to speak freely on their future. Let the Prime Minister just try to muzzle Quebecers; they will have an answer for him.

* * *

NATIONAL UNITY

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, I would like to thank the thousands of Canadians who went to the rally in Montreal and Canadians elsewhere in the country.

[*English*]

Canadians from all across Canada, including those from Windsor and Essex county who chartered buses from Windsor or joined the buses from London or drove or flew to Montreal on Friday, made a real difference by showing their support for Quebec and the Canadian Confederation. I want to thank them for their efforts and dedication.

[*Translation*]

I would also like to thank the other Canadians who did not go to Montreal, but who were there with us in their hearts.

[*English*]

Finally, I would like to thank Barry Fowler and all the Windsor Jaycees for creating the central image of the final days of the campaign with their monstrous six metre by nine metre Canadian flag, the largest in Canada. By holding and walking under the flag, Canadians at the rally created the key image on the front pages of the newspapers and on televisions in Quebec and outside of Quebec: that of the Canadian flag awash on a sea of support for national unity, carried by Canadians gathered from coast to coast.

* * *

NATIONAL UNITY

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, a week ago today well over 100,000 Canadians converged on Place du Canada in Montreal to stand on guard for their country. From every part of Canada they came because they care. The rally last Friday was a defining moment in the referendum and in our history. It was a beautiful moment, a moment the people of Canada cannot let us politicians forget.

All week I have been getting calls from people asking me what they can do to make sure their message was understood and remembered. I have a suggestion. I invite those who were in Montreal last Friday to take a few moments to put their thoughts to paper, to share with others how they felt and why they were there.

We must capture the spirit of the rally and build on it. Once you have done that, people of Canada, send me a copy of your letter or send it to your member of Parliament. I will undertake to safeguard those letters and make sure that every premier in the land gets a copy. Do it now. Keep up the pressure.

* * *

[*Translation*]

DEPUTY PRIME MINISTER

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, in light of the disgraceful events yesterday in the House, the Deputy Prime Minister is clearly incapable of doing her job. In response to questions by the Official Opposition, she persisted in citing incorrect information in disregard of her responsibilities.

Her attitude certainly left something to be desired. Unable to justify the undemocratic remarks of the Prime Minister of Canada, she delighted in using diversionary tactics, which are inappropriate at this critical point in Quebec's and Canada's political history. Clearly, this government has lost control, and the Deputy Prime Minister no longer has any credibility, not only among Quebecers, but among all Canadians.

* * *

[*English*]

NATIONAL UNITY

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, on Monday some 49.5 per cent of Quebecers who voted yes to separation did so because they believe that status quo federalism is bankrupt and the government is incapable of carrying out necessary reforms. Others voted yes because they believed the claims of the separatist leadership that when countries split apart the process is quick, painless, and amicable.

• (1110)

The best way of combating these twin errors is for Canadian federalists to adopt a two–track approach. First we must advocate and implement a new confederation consisting of reforms that will decentralize the Canadian federal system. The Reform Party's 20–point new confederation proposal released several weeks ago outlines one method of doing this.

The Reform Party will also pursue a second stream intended to outline a formal Canadian position on the terms and conditions of separation if ever necessary. Such a position will make crystal clear to all concerned exactly what trials would be involved should the separatists ever attempt to lead Quebec out of Canada.

By outlining a more attractive vision—

The Speaker: The hon. member for Saint–Denis.

* * *

[*Translation*]

QUEBEC ECONOMY

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, Quebecers have quickly turned the page on the proposal for a separate Quebec, as we learned this morning from a SOM–Le Soleil—Radio–Québec poll.

The poll, which was conducted between October 31 and November 2 among 812 people from all regions of Quebec, shows that 73 per cent of respondents want the Quebec government to participate in the renewal of the Canadian federation.

The poll also shows that Quebecers give priority to unemployment and deficit reduction as the first tasks that the federal government should tackle. Only 16 per cent of respondents see the renewal of federalism as a priority.

The people of Quebec have spoken once again. Let us hope that PQ and Bloc members will set their obsessions aside and address people's priorities.

* * *

YVES BLAIS

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, there is only one word to describe the comments made by Yves Blais, the PQ's regional delegate in the Outaouais, and that is blackmail.

When he visited the Outaouais in June, Mr. Parizeau made a commitment to give $15 million to the Outaouais economic diversification society.

Mr. Blais said that only two promises were conditional on achieving sovereignty: the one I just mentioned and the promise to hire federal public servants living in Quebec.

Mr. Blais is making up excuses to justify his lack of respect for the people of the Outaouais who voted no to Quebec separation. After the regrettable remarks made by his leader, the PQ member is showing us another hidden side of the separatist movement.

* * *

QUEBEC

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, in the wake of the Quebec referendum, the Canadian provinces' great unanimity and unconditional declarations of love for Quebec have given way to backtracking and to a total lack of consensus. Once again, Quebec has been left to its own devices and its demands have been ignored.

Premiers Filmon and Romanow want to take this opportunity to make cosmetic changes to the constitution. Premiers Klein and Harcourt, however, would rather wait until 1997 before doing anything. And what about the ineffable Clyde Wells, who is still incapable of understanding what Quebec is all about?

As for the Prime Minister of Canada, he will certainly not be the one to propose comprehensive changes. Is he even willing to consider Quebec's legitimate aspirations, or does he simply intend to put Quebec in its place?

* * *

[*English*]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I am aghast at the seeming arrogance of the Minister of Justice.

First he neglects to adequately consult his provincial counterparts and aboriginal representatives on Bill C–68, while claiming otherwise. Then he dismisses the concerns of the rural members of his own caucus. Next he grabs for himself the power to prohibit any firearm that in his opinion is not reasonable for use in hunting or sporting purposes.

During report stage of Bill C–68 the justice minister changed one of his own colleague's amendments, which would have limited the autocratic powers of the minister. The justice minister's extensive knowledge about firearms banned the Olympic shooting pistol.

For the first time in history the justice minister has granted the federal government the power to commence proceedings under the Criminal Code, clearly infringing on provincial jurisdiction.

Finally, the minister on his own has rendered the Senate useless. He has said that even if the Senate dares to amend his gun legislation he will not accept it.

Confidence, Mr. Speaker? No, I say arrogance.

* * *

• (1115)

CANADA REMEMBERS

Mr. Paul Zed (Fundy—Royal, Lib.): Mr. Speaker, on October 23 I had the distinct pleasure of presenting awards to the Minto Elementary and Junior High School and Chipman Junior–Senior High School in Queen's county, New Brunswick. They placed first and second for their contributions to the Canada Remembers contest in Atlantic Canada.

The contest was part of the Canada Remembers program. It encouraged all junior and senior high schools to participate in the commemoration of the 50th anniversary of the second world war.

It is this kind of community spirit which has been demonstrated in Minto and Chipman, New Brunswick which has led to the success of the Canada Remembers program and the successful commemoration of the 50th anniversary of the second world war.

I am extremely proud of the commitment demonstrated by the students. All of us congratulate them. We are very proud of their contributions.

ORAL QUESTION PERIOD

[*Translation*]

DEMOCRACY

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday on *Téléjournal*, the Radio–Canada news program, the Minister of Justice clearly mentioned the possibility of resurrecting a federal power that has not been used for more than half a century, the federal government's power of reservation and disallowance, to try and prevent Quebecers from voting when they see fit on their political future.

Does the Deputy Prime Minister agree it is inconceivable the federal government should try to use a power that has become obsolete, as the Supreme Court of Canada admitted, to prevent Quebecers from voting democratically on their political future?

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, Quebecers made a clear choice Monday night. Even the Leader of the Opposition agreed that the democratic position was to accept the fact that they voted no to separation. In Quebec, the Parti Quebecois was elected with a majority of one–quarter point. And in this case, the Leader of the Opposition made it quite clear he would not challenge the referendum results. I think that if his members have any respect for democracy, they should not challenge them either.

The best way to prevent a second referendum is to renew federalism, and that is what 73 per cent of the population wants, according to a poll released today.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am serious. The federal Minister of Justice says the federal government wants or may wish to use the power of disallowance to go over the head of the Quebec National Assembly. The minister is off topic and using all kinds of excuses to try to evade the issue.

How could the federal government even consider ignoring the powers of the Quebec National Assembly by using a power that, according to the Supreme Court, has become obsolete? Are we to understand that with this government, democracy comes second to federalism?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, let us hope the Parti Quebecois and the Bloc Quebecois respect democracy. Because if they have the slightest respect for democracy, they will accept the outcome of the vote last Monday, and they will abide by the wishes of 73 per cent of Quebecers who want the Quebec government to work towards renewing federalism. That is democracy. Democracy spoke Monday night, and the Parti Quebecois should listen.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this from the Deputy Prime Minister of a government that, I may remind you, was formed by the party that introduced the War Measures Act in Quebec in 1970. We know your democratic propensities. A party that, through its Minister of Justice, tells us it will use a power now obsolete, the power of disallowance, to flout the authority of the Quebec National Assembly and ignore its decisions. And this party, which according to the Prime Minister would not have respected the results of the referendum, now wants to give us a lesson in democracy.

• (1120)

An hon. member: The nerve.

Mr. Gauthier: Are we to understand that because they have nothing to propose, because the provincial Premiers are starting to reconsider, because the government has no plan and because they know that next time, the Yes side will win, the government is desperate, and its only option is to deny the democratic system, either through the power of disallowance or by going before the courts?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I wonder what Anita Martinez thinks of democracy according to the Parti Quebecois. Anita Martinez is a 23 year old worker in Quebec who was accused by the Deputy Premier of Quebec of not being a real Quebecer.

Those people over there want to teach us a lesson in democracy, but we respect the results and we respect the fact that whether it is cast by a Nunez, a Martinez or a Lucien Bouchard, a vote is a vote, and the results of Monday night's democratic vote should be respected by the Parti Quebecois and the Bloc Quebecois.

* * *

DISTINCT SOCIETY

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, in the last stretch of the referendum campaign the Prime Minister of Canada, along with several premiers of English speaking provinces, clearly implied that changes were coming in Canada, particularly the formal recognition of Quebec as a distinct society. It would appear that the Prime Minister is planning in the very near future to make a "motherhood" announcement of his intentions toward the distinct society.

Does the Prime Minister realize that bringing in any federal legislative measure whatsoever on the recognition of distinct society status will not offer any response at all to the legitimate aspirations of the Quebec people, for Quebecers want more than cosmetic changes with no true meaning?

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, when will the party of the official opposition give up on continuing to fight a lost referendum, and when will it start addressing the true problems of Quebecers, which are problems of unemployment and problems of investment?

We face the official opposition here as a government which is attempting to develop Quebec and Canada, which is attempting to reduce unemployment. We know that Quebecers want us to renew federalism and want to see the economic situation improved. And the official opposition is continuing to debate arguments that were settled on the evening of the referendum. Quebecers decided democratically that they did not want out of Canada, and I implore the official opposition to return to the path of duty and to defend Quebecers, to help us create jobs and investments.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, how can the minister talk about the real problems of Canadians, when the government is tabling no legislative measure whatsoever in response to those very problems?

Now, to my question. How can we have any faith in the Prime Minister when it comes to the distinct society, when his allies in English Canada wasted no time immediately after the referendum in diluting the content of the resolutions they had adopted in their legislative assemblies, particularly when we are familiar with the views of the Prime Minister, the man who killed Meech Lake, on the distinct society?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the person who changed sides, who jumped ship one month after the Meech Lake agreement, was the Leader of the Opposition.

It would be advisable, if the hon. member does not want to listen to the voice of the people as expressed in this morning's poll, for him to listen to the former leader of his party, Pierre–Marc Johnson, who today stated according to the Parti Quebecois that "the government ought to get busy instead with governing, given the unemployment situation and the pressures on the public purse".

If they will not listen to Daniel Johnson and the Liberals, they might at least listen to Pierre–Marc Johnson.

• (1125)

[*English*]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadian federalists must never get into any future contest with Quebec separatists—and regrettably there will be one more contest—as ill prepared and ill equipped as they entered the last referendum campaign.

If we are to keep this great country together, we have to fight the separatist dream with a federalist vision, not the status quo. We have to fight separatist deceptions not with panic or propaganda, but with the naked truth about what separation really means. The time to prepare the ground is before, not during some future campaign.

I ask the intergovernmental affairs minister, in this period prior to the next real confrontation with the separatists, what is the government going to do to make the real consequences of secession crystal clear to every Quebecer?

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, during the campaign the economic arguments against separation were done well. They convinced a large number of Quebecers that separation was not in their economic interests and would be very costly especially to the vulnerable elements in society the separatists say they want to defend.

What is more important is that federalism is not the status quo. Federalism has been flexible. We indicated in fact, not in words like the opposition, that we were ready to reduce the size of the federal government and we were ready to review the powers of the various levels of government.

We are presently doing that. The federalism test we have applied is presently resulting in all kinds of powers being reassessed between the federal and provincial governments.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it may be that some of the economic arguments on the dangers of secession were presented.

The sad fact is that on October 30 over 30 per cent of the people who voted yes thought they were voting for a new and better economic union with Canada rather than for a separate Quebec. The federal government and the no campaign failed utterly to get through to those voters on the negative implications of a yes vote. That simply cannot be allowed to ever happen again.

To prevent that from happening again, will the government begin to clearly and openly answer from a Canadian perspective all the what if questions which are raised by a Quebec secession and which I presented to the Prime Minister on June 8, 1994 prior to the last campaign?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there is no doubt that the question asked was confusing. We said that during the campaign. A number of Quebecers who voted yes voted yes under the misapprehension that a partnership was possible and that it was a mandate to negotiate.

What is important now is not to relive the referendum. It is important now to see that we have to reform Canada. The government has not only agreed to that, but we indicated that especially in last February's budget where we re-established fiscal responsibility and where we indicated the future elements of decentralization that should take place.

We are not in favour of decentralization for the sake of decentralization. We are for decentralization to the extent that it serves the people of Canada by making the various levels of government more efficient. We will not move in the direction of decentralization without justification.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government can try to ignore 30 per cent of the yes people who thought they were voting for something else. I suggest that is keeping the government's head in the sand. That is not going to win the battle with the separatists the next time around.

• (1130)

Quebecers must know the Canadian position on terms and conditions of separation. Quebecers have to know the Canadian position on debt division, the Canadian position on boundaries, the Canadian position on protecting Atlantic Canada and the Canadian position on terms and conditions of trade.

Since over 30 per cent of yes voters thought they could keep all the benefits of Canadianism and vote for separation, will the government begin to spell out the Canadian position on terms and conditions of separation in order to make the negative consequences of separation clear to every Quebecer?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Canadian position includes Quebec. It is still part of Canada, thank God, after Monday night.

Even if the leader of the third party will not listen to members of the federal House who ask for his help in the rebuilding process, would he at least listen to the leader of the no forces, Daniel Johnson, who said yesterday: "Mr. Manning is playing into the hands of those who want to break up Canada by not recognizing some of the self-evident truths that this country is founded on". Please listen to Mr. Johnson and join Team Canada.

The Speaker: My colleagues, even though we are quoting someone else's statement, I would appreciate it if we would address each other by our ridings or our titles in the House.

* * *

[*Translation*]

RIGHT OF VETO

Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

The day before yesterday, the Prime Minister stated in this House, and I quote: "I said it would be a veto for the people of Quebec". When questioned about the meaning of this statement, the Minister of Intergovernmental Affairs suggested that we ask the Prime Minister himself for clarifications, because he was unable to tell us what the Prime Minister meant.

Could the Deputy Prime Minister clarify for us what the Prime Minister was referring to when he spoke of a veto for the people of Quebec?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Bloc Quebecois is asking all kinds of questions about the promises made by the Prime Minister, but I can assure the Bloc that we will keep our word. We will stand by the Prime Minister's promise for change.

Let us just hope that the Bloc Quebecois will respect the result of Monday's vote, in which a majority of voters in Quebec said no to separation. They now want the PQ and the Bloc Quebecois to focus on the issues. Unemployment figures were released today. We should work together to find effective ways of dealing with the unemployment problem, instead of continually quarrelling about the constitution.

Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ): Mr. Speaker, the people of Quebec regard as important the questions that we, as the official opposition, ask in this House.

Could the Deputy Prime Minister explain how the Prime Minister can refuse to clarify what he really meant with respect to the right of veto, when the minister responsible, one of the brightest members of cabinet, admits to not knowing what the Prime Minister was talking about?

• (1135)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, obviously, members may ask any question they want. The question the people of Quebec are asking themselves right now is: When will the Government of Quebec and the Bloc Quebecois start focusing on the economy?

We know for instance that the Parti Quebecois was prepared to put on the line billions of dollars from the Quebec old age pension fund, as Mr. Parizeau himself indicated when he said: "The defensive tools we are referring to certainly include the deposit fund. This, of course, represents a lot of money. Hundreds of millions of dollars". In fact, it is more like a few billion dollars. The Premier of Quebec was prepared to put on the line billions of dollars that Quebecers have contributed to the Quebec old age pension fund to further his own separatist ambitions, and the people have said no. Let us hope that he will respect their wishes.

* * *

[*English*]

FEDERAL–PROVINCIAL FISCAL ARRANGEMENTS

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the federal government collects money from taxpayers in Quebec and other provinces. It then spends that money, after keeping some of it, on programs for manpower training, for immigration settlement and a whole range of programs, all with lots of strings attached that the provinces do not like.

My question is for any minister responsible for such spending programs. For the sake of unity, why do not the ministers responsible for this spending simply call up their counterparts in the provinces and say: "As of the first of next month we will send you the money, totally without strings attached, for you to spend any way in which you wish for the sake of unity"?

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 have to remind members of the third party that we were elected by Canadians like they were and Canadians did not ask us to implement every desire of the premiers of the provinces.

They asked us to act in their interests by spending the taxes we collect from all Canadians for the benefit of all Canadians, not for the benefit of province *a*, *b* or *c*, in particular, but within province *a*, *b* or *c*, for the benefit of all Canadians. This is how we differ from provincial governments.

In this case the question to be asked is are the interests of Canadians being served well? The record is clear. The country we have created is the proof. As the federal government we have been serving Canadians right. There are some fields where the powers of the various levels of government must be reassigned. But it must be done for reasons of efficiency and service to citizens, not for reasons of ideology.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, my question did not reveal ideology. It reveals a new position in which this country is finding itself, one over which the last election was not fought. At that time we did not know how

strongly Quebecers felt about their desire to have control over these kinds of spending programs.

The ball game has changed. I would like to get to the question of spending another $750 million on yet another program that not only we cannot afford but also impinges on provincial sovereignty, namely spending on day care facilities.

When will the Minister of Finance cancel the program that not only destroys national unity, but ruins spending programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have heard a great deal of discussion in the House in the last few days about democracy. One clear responsibility of a democratic system is to respond to the desires of people as they express them at the ballot box.

• (1140)

In the last election in 1993 this party put forward a proposal for assistance to the provinces to enhance child care. In that way we could ensure a basic standard of development for children right across Canada regardless of the respective wealth of different regions. We want to ensure that in this new workplace where many families have both parents working, where there are many single parents who want to go back to work that need good care for their children, the federal government would provide assistance. The government does not want to impinge, does not want to take over. It wants to share, as we have always tried to do in this party.

In 1993 we received the mandate of 178 seats elected. That is why we are the government. That is why we intend to carry out a major investment in child care. It may not be the priority of the Reform Party but we happen to think that good care for children is a real priority for all Canadians.

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[*Translation*]

CANADIAN TELEPHONE COMPANIES

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

As we know, several telephone companies ignored the CRTC's ruling or ban and allowed tens of thousands of Canadians to phone, at no cost, Quebecers to influence their vote on sovereignty.

Can the minister tell the House what penalties might be imposed to the telephone companies that violated the Quebec referendum act and ignored the CRTC's ruling?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, this really is a question for the CRTC. At this point, we do not have all the facts. As the hon. member knows, the CRTC made a ruling last Friday regarding the special rates announced by the telephone companies. That ruling should have been complied with by those companies.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, can the minister tell the House whether he intends to make sure that this issue will not be shelved and that these telephone companies will be given the maximum penalty, so that they do not again ignore the CRTC's rulings?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the request that the member puts to me is one that is not within my powers.

I find it surprising that the separatist movement is so frightened that Quebecers would hear the true views of Canadians from across the country that they want to put up walls around their province to keep those voices out.

* * *

THE ECONOMY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, we both know and a lot of Canadians know there are a lot of problems in this country, not the least of which are the high levels of taxation and the huge debt this finance minister is proud to add to at the rate $37.5 billion per year.

He said this on Wednesday: "This is a marked improvement in the fiscal situation and one which illustrates that making forecasts based on prudent assumptions will pay off. This is another good news report".

I am glad his family business is in trust because if he ran his business the way he runs the country he would be broke.

When will the finance minister do the responsible thing and present a balanced budget to all Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would have thought the hon. member would take some comfort in the fact that for the first time in over a decade we have a government that is capable of hitting its targets which is obviously very important in establishing the credibility of one's position.

At the same time we have indicated that the best way to control spending, the best way of keeping government's feet to the fire, is to operate on the basis of a set of rolling two–year targets. That is a process which clearly works and is one that we continue.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, let me try to keep the finance minister's feet to the fire.

Two years ago I ran to get rid of a government that ran up a $38 billion deficit. Here we are two years later and nothing has changed. We are still bringing in deficits in the $35 billion to $38 billion range.

Once again for the good of Canada, for the good of the global market, when will this finance minister—if he is not capable, step aside—present a budget that is clear, that sets out a target as to when we will be at a zero deficit? When will he quit adding to the problem and quit playing his games with our future?

• (1145)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the deficit number two years ago that we inherited was not $38 billion. It was $42.5 billion. We improved on it by $4.5 billion.

For the good of Canada, for the good of global markets, could the member opposite please get his numbers right.

* * *

[*Translation*]

REFLOATING THE *IRVING WHALE*

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is directed to the Minister of the Environment. Early this week, the intrepid Minister of the Environment took advantage of the absence of Bloc members to accuse them of obstructing her plan to refloat the *Irving Whale*. The truth is, the minister is so incompetent that she is desperately looking for a scape goat to hide her own inability to find a safe solution to the problem of the *Irving Whale*.

Would the minister agree it is high time she showed some flexibility and agreed to appoint a panel of independent experts who would be able to find a safe solution that would take into account the presence of PCBs aboard the barge, something she has failed to do so far?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we do have a safe solution. We plan to refloat the barge next spring, despite the official opposition which is still obstructing this plan and always has.

Mrs. Tremblay: Now look, it was the courts, not us. Really, now.

Ms. Copps: It is unfortunate that the Bloc is obstructing. One thing is clear: the Magdalen Islands RCMs are on my side, because they want the *Irving Whale* to be refloated.

Mrs. Tremblay: Exaggerating again.

Ms. Copps: And that is not what the Bloc Quebecois wants, that is the truth.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, we have just spent $12 million for absolutely nothing. This is money citizens will have to pay.

Will the minister admit that the reason she is faced today with a worldwide campaign by Greenpeace, not just Greenpeace Canada but Greenpeace International, which has condemned her incompetence in this matter, the reason is she is incapable of considering an alternative to the least costly solution, which will cost twice as much as initially estimated and which is also the most dangerous one?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Greenpeace campaign stresses how important it is to refloat the *Irving Whale*. I hope Greenpeace will acknowledge there has been only one government in the past 20 years that had a policy for refloating.

Unfortunately, when the hon. member for Lac-Saint-Jean was Minister of the Environment, the *Irving Whale* was at the bottom, and there was no question of refloating. We are going to refloat it, over the protests of the Bloc members, and I am glad Greenpeace acknowledges the fact that refloating is important to prevent a crisis as a result of the leaks that are now occurring. That is why fishermen, the population and the RCMs on the Magdalen Islands support the policy adopted by the Government of Canada.

* * *

[*English*]

SEXUAL ABUSE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, two weeks ago in Halifax the solicitor general announced the second phase of a national program to help protect the young and the vulnerable from sexual abuse at the hands of people in positions of trust.

Could the solicitor general tell the House how the new program would protect our children from potential sexual abuse?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the federal government is working with the Canadian Association of Volunteer Bureaus to carry out a program to educate voluntary organizations on the need for screening people who are seeking employment or volunteer positions working with children or other vulnerable individuals.

The program involves sending briefing books and videos to over 200 volunteer bureaus across Canada and to some 1,900 police services. There will also be a series of workshops conducted in over 200 volunteer bureau areas.

This will supplement the program I announced last year of using the Canadian police information system computers managed by the RCMP to provide a screening system to help prevent people involved in sex abuse from taking up positions as volunteers or employees when it comes to working with children or vulnerable individuals.

• (1150)

The program is a worthwhile one and responds to the objectives of all Canadians. I hope it will have the support of all members of the House.

* * *

YOUNG OFFENDERS ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, all Canadians are aware of the horrific torture of three Ottawa teens and the death of 17–year old Sylvain Leduc at the hands of a vicious youth gang.

The minister is aware the studies his department has received by noted criminologists state that young offenders believe there will be no serious consequences for criminal action and they will commit unlawful acts that include torture and violence.

Would someone on that side of the House explain why the minister will not put severe consequences in the Young Offenders Act for brutal, violent, sadistic crimes committed by young offenders?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the government has brought forward legislation to tighten up the Young Offenders Act and provide more severe penalties. The law has been adopted. It will go a long way to responding to the kinds of concerns raised by my hon. friend.

At the same time, the justice committee of the House has been mandated to carry out an overall review of the work with respect to young offenders. I hope it will be able to take into account the understandable concerns of my hon. friend. I appreciate his raising this important point.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I remind the minister that these types of crimes are showing up more and more often and that they need to be stopped. If he is referring to Bill C–37, forget it; it will not do the trick.

I have a supplementary question. When will the minister change the Young Offenders Act so the names and pictures of violent and sadistic gang members such as the Ace Crew, regardless of their age, become available to the general public for its own protection?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this information is available to and used by law enforcement agencies. The hon. member's suggestion is one that can be given active consideration in the course of the wide ranging and urgent review of young offenders provisions currently under way in the justice committee.

I urge my hon. friend and his colleagues to take that review seriously and participate in the hearings so we will have a good result in the interests of all Canadians.

* * *

[*Translation*]

HAZARDOUS WASTE

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Recently, the *Globe and Mail* revealed that some people have managed to find a way to follow the advice of the Minister of the Environment, who wished to see Canada transform its environmental challenges into economic opportunities. Despite its regulations, Canada is in fact exporting hazardous waste to the third world.

Does the minister confirm her departmental employees' complaints of being so short of resources that they cannot assume their responsibilities and apply the regulations on hazardous waste exports properly?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): In fact, Mr. Speaker, during the review of the budgets for environment, the budget for protection was increased.

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, today the minister is avoiding direct answers with surprising regularity. I shall, however, try a supplementary.

Does the minister understand that she ought to ensure that her departmental employees apply existing regulations properly, rather than seek to set national standards and to continually meddle in areas of provincial jurisdiction?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on the contrary, I am trying to follow the lead of the former Minister of the Environment, the hon. member for Lac–Saint–Jean, who stated that the federal government had not only a duty to be concerned about the environment, but a responsibility. And I endorse that statement by the hon. member for Lac–Saint–Jean.

* * *

[*English*]

VIOLENT CRIMINALS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, one of the men wanted in the torture slaying of Sylvain Leduc was on parole at the time of the killing and wanted on a Canada–wide

warrant. John Richardson was on mandatory release from Millhaven penitentiary after serving just two–thirds of his sentence.

• (1155)

Reform has been asking for the elimination of mandatory release but our pleas and the pleas of many Canadians and victims of violent crimes have fallen on deaf ears.

My question is for the Minister of Justice or the Solicitor General of Canada. In view of the murders of Sylvain Leduc and Melanie Carpenter, also murdered by an offender on statutory release, why will he not move immediately to eliminate mandatory release?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, my hon. friend in beginning his question said that the individual in question was on parole. The person in question was not on parole. He had not been released pursuant to any decision of the parole board.

Instead, as the hon. member said later in his question, the individual was on mandatory release. The conditions in the law for the automatic sending of the person's case to the parole board for a detention hearing had not been met because the person's original offence did not involve crimes of violence or drugs.

With respect to the basic point he is making, most of the people on mandatory release are not involved in further offences. Experience has shown that a controlled period of supervision at the end of a sentence is the best way of ensuring that there are not further offences, something I hope the hon. member will support. I hope he will support measures designed to avoid further offences rather than steps that might create more.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, John Richardson was denied parole not once but twice because the parole board said: "There is indication of behaviour that demonstrates a potential to commit an offence involving violence".

When Richardson was released by statutory requirement, conditions were attached because: "You remain a high risk to reoffend". This evidence clearly indicates that the death of Sylvain Leduc could have been prevented.

When will the minister move to eliminate mandatory release to keep dangerous offenders locked up? When?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, at this point the individual in question is wanted for questioning. Charges have not yet been laid against him.

The hon. member is jumping to conclusions which may or may not turn out to be correct. At the same time he is raising an understandable concern which I share. However the point he is making with respect to the absolute abolition of mandatory supervision does not fit in with reality. The best way to help ensure further offences do not take place is to have people under a form of supervision and controlled release into the community so that they will not do things that are likely to lead to further offences. Most cases of mandatory supervision turn out well and tragic incidents are the exception rather than the rule.

There is a provision in the law whereby if a person is considered to be likely to carry out further offences and certain conditions are met the case can be referred to the parole board for a hearing which can lead to the person's detention to the end of sentence. Unfortunately the conditions were not met because the person's original conviction was not for one of the offences in schedule one or two.

The hon. member calls for changes in the law. This can certainly be considered. If we present changes to the law I hope he will co–operate in ways that protect public safety rather than simply making a lot of noise about it.

* * *

TRADE

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, my question is for the Minister of Industry.

This week the House has been debating at second reading an act to implement an agreement concerning Canada's internal trade. Certainly in the province of Ontario members of the business community and consumers strongly support the legislation because it is good for our economy.

Will the agreement be as good for Quebec?

[*Translation*]

Hon. John Manley (Minister of Industry, Lib.): Yes, Mr. Speaker. Another economic study last week indicated that the provinces of Canada do twenty times the business among themselves they do with the United States, once differences in size and distance are taken into account.

This reveals the importance of internal trade for jobs and Canada's economic growth.

• (1200)

[*English*]

In trying to make the internal market work better in Canada, it would be very helpful in the context of the current debate if some members of the House were less concerned about what powers are exercised in what capitals and more concerned about looking at ways to make the internal market of Canada work better to create jobs and opportunity for Canadians across the country.

[*Translation*]

PUBLIC FINANCES

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Minister of Finance.

Like the rest of us, the Minister of Finance noted the profound desire for change in the referendum. He is obviously very attuned to the question of public finances.

I wonder whether the Minister of Finance might not use this opportunity to put forward a national plan to the country to eliminate the public deficit and debt with objectives we could all support and joint deadlines and whether now is not a singular time to do so for the benefit of the country as a whole.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the leader of the Progressive Conservative Party is entirely right to talk of a desire for change that is reflected right across the country, from Atlantic to Pacific. He should know that this very thing was discussed at the last two meetings of the country's finance ministers. I agree with him totally about what must be done, namely, drawing up a federal–provincial master plan with very clear objectives of consolidating public finances at both levels of government.

I can also tell him that the provinces have made a lot of progress, with one exception, perhaps, and that the federal government is now on the right track. We will have to continue in this vein, and I hope all the provinces will take part.

* * *

[*English*]

PRESENCE IN THE GALLERY

The Speaker: I draw to the attention of the House the presence in the gallery of the Hon. Wayne Gaudet, Minister of Agriculture and Acadien Affairs for Nova Scotia.

Some hon. members: Hear, hear.

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 two 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 97th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Government Operations.

If the House gives its consent, I intend to move concurrence in this report.

[*Translation*]

With leave of the House, I move that the 97th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

* * *

• (1205)

[*English*]

PETITIONS

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. This particular petition has been signed by a number of Canadians from Langley, B.C.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

GOVERNMENT CONTRACTS

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, I have a petition from my constituents concerning the methods our government might use in the area of furniture moving.

The petitioners indicate a concern that the proposed method, if adopted, could indicate that one company would have the entire system of moving furniture for all governmental departments. They petition that the former system, the one that has been in place for some years, be continued and that all companies across Canada be given some portion of that movement.

PAROLE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to present another 1,239 names to the tens of thousands of signatures already submitted.

These 1,239 signatures represent people from across the country who are asking that Parliament enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post-sentence detention orders and specifically by passing Bill C-240.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have a petition this afternoon signed by a number of people from all across Canada.

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

* * *

[*Translation*]

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 question will be answered today: Question No. 209.

[*Text*]

Question No. 209—**Mr. Hart:**

With respect of the Department of National Defence's white paper promise to purchase new search and rescue and shipborne helicopters, (*a*) does the government intend to purchase one helicopter for both roles or two, (*b*) what is the total amount of money the government is allotting to the purchase of new search and rescue and shipborne helicopters, (*c*) over how many years will the new search and rescue and shipborne helicopters be purchased, (*d*) how much money will be allotted annually to a program to purchase new search and rescue and shipborne helicopters (*e*) is the government considering purchasing a scaled down version of the EH-101 and if so will companies awarded penalties due to the cancellation of the former government's EH-101 program be getting new contracts?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): With respect to the purchase of new search and rescue and shipborne helicopters, the Minister of National Defence has not yet brought recommendations to his colleagues. Therefore it is premature to state what the government's intentions will be with respect to these projects.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 208 could be made an order for return, this return would be tabled immediately.

[*Text*]

Question No. 208—**Mr. Hart:**

With respect to the decision by the government to cancel the EH-101 Program, (*a*) what is the total cancellation cost the government must assume including (i) penalties paid to contracted companies, (ii) research and development costs incurred by the government, (*b*) what was the total cost the former government had allotted to spend on the EH-101 acquisition program including spare parts and pilot training and (*c*) how much was to be spent annually on the EH-101 Program during the lifetime of the program?

Return tabled.

[*Translation*]

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

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-108, an act to amend the National Housing Act, be read the second time and referred to a committee.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-108, an act to amend the National Housing Act. I am speaking on behalf of the member for Comox—Alberni, the Reform critic for Canada Mortgage and Housing Corporation.

This is actually a very brief bill and its intent is quite simply explained. Bill C-108 proposes to increase the aggregate amount of outstanding CMHC loan insurance from $100 billion to $150 billion, plus any additional amounts that may be authorized by Parliament. That means that CMHC's liability limit will be increased by $50 billion. That is billions, not millions—fifty thousand million dollars, a huge increase over the present liabilities.

I am not surprised that the Bloc would support such an increase in liabilities. It really thinks it is getting something for nothing. It thinks money grows on trees. The fact is it is a much more complex situation than that.

Many areas of concern are raised by this bill, concerns that are being voiced by Canadians right now. It surprises me that given the nature of this bill the government is not listening to those concerns. On second thought, maybe it is not such a surprise, given the history of the government so far.

• (1210)

Canadians are already very concerned about the current debt load. They are carrying that debt load and it is creating an inability for them to move forward financially or personally because of high taxes. Every way they turn they are being taxed over and over. There is no room to move. Pretty soon there will not be much left to tax.

The bill does nothing to halt the trend to ever bigger government and increasing public liabilities. It appears that the government is willing to gamble taxpayers' dollars at a time when the present debt is already more than $564 billion and climbing by $100 million every day.

Increasing the liability limit for insuring mortgages is nothing more than government speculation without any money. It is a trend that has been going on in other departments and it really must come to an end. The Liberal government has borrowed more than $80 billion in the first two years of its mandate, and it is continuing to spend beyond its means. This year alone the government had to borrow another $32 billion.

CMHC finances are actuarially accounted for every 20 years, so the Canada Mortgage and Housing Corporation does not know what its ultimate liability will be or what it really has outstanding right now. Bill C–108 should be of great concern to all Canadians, who can clearly see that the government is continuing to spend well beyond its means and incurring liabilities that on a standard accounting balance sheet would show that we are actually in very deep trouble.

By increasing Canada's liabilities we are increasing our risks. Although Bill C–108 does not ask for actual cash per se, it is increasing the liability, which will in the end cost taxpayers a tremendous amount of money if there is a major default. Loans and mortgages are not guaranteed; they can fall back on the government and lead to a further lowering of Canada's international standing and raise the overall debt.

Canadians are already staggering under an oppressive tax burden. They do not need government to dig them a deeper hole. They want to get out of the hole, as proven by the types of provincial governments they have been electing of late.

The government will not disclose its ongoing liability. I would like to see it publish a standard accounting style balance sheet once a year, as was done in New Zealand. Members know that I am originally from New Zealand. There is a law there that requires the government to actually print once a year all of its liabilities in standard accounting form. The first year the country did that, it discovered there was a negative worth in the country and it had to cancel a lot of the liabilities.

If standard accounting practices were used here in Canada to show the liabilities, we would probably find a network of debt and liabilities all strung together in a way that would be completely unacceptable and illegal probably in the private sector.

It certainly appears the government does not know how large the liabilities will be 10 or 15 years from now. Yet it is continuing to increase that liability load on us. This trend of increasing government liabilities across the board will only lead to the government overextending itself, to the detriment of taxpayers who bear the burden of the national debt.

Last week on television the Prime Minister spoke from Montreal with desperate pleas to Canada and promises to Quebec that the Liberal government would make changes if Quebec would stay in Canada. Yet it is ironic that on the eve of the Quebec referendum the government had the gall to table this bill. While the Prime Minister was in Montreal making overtures of a new and decentralized federal government, at the very same time his representatives in Ottawa were tabling a bill that takes us in exactly the opposite direction. So it should not be a surprise if Canadians find that the Prime Minister is trying to back down on his promise. Looking at this bill, it is obvious the government has no intention of decentralizing and that it really wants to cling to every piece of power it has.

When asked about promises of decentralization, all the Prime Minister could say is: "That is going to require a lot more thought and discussion, but I am sure there is going to be some of that". Some of that—what does that mean? Has the government not learned anything from the Quebec result? Did it not do any forward planning? Demands for decentralization are being heard across the country. They did not start with the Quebec referendum; they were there long before that. It takes a major crisis of unity in the country before the government will even begin to address the problems.

• (1215)

When asked about what degree of decentralization the government was considering, the Prime Minister responded that he did not know at this point in time. He did not know. More waffling as usual. Canadians are getting pretty tired of all the waffling from the Liberal Party.

The answer is right here in this bill. The government does not want to decentralize. It is looking to strengthen its federal control. Canadians are not going to tolerate the double talk for too long. Misrepresentation of intent from the government can be seen in the changes that are now sweeping the country at the political level.

The Liberal government's response to Canadians' desire for change has been totally inadequate to say the least. The status quo has got to go if we are going to move forward as a nation.

There was an example today in question period when we asked yet again about the Young Offenders Act. We have been asking week after week after week for two years and the government has done nothing to address the concerns of people. We still have these young punks out there who do not have their names or their pictures published. We have to get this government doing something for Canadians for a change.

Lingering uncertainty in Quebec continues to plague Canada's economic security. Only a few days ago it was reported in the newspapers that the bond raters are still uncertain about Canada's economic future because the Quebec situation remains unresolved. If the government cannot take steps to address the problems at hand, we are simply headed for more chaos.

The future financial stability of this country depends on how well this government addresses its fiscal problems. So far, the picture does not look very rosy. Canadians want a smaller federal government.

The minister responsible for the Canada Mortgage and Housing Corporation claims that his departments and responsibilities, including CMHC, are headed in that direction. However, this bill shows the federal government is actually moving in the opposite direction.

Instead of downsizing and moving away from the housing market, the government wants to put another $50 billion of mortgage liabilities on the backs of Canadian taxpayers. This will increase the federal role, not downsize it as the government claims. If the government is as committed to decentralization as it would want us to believe, then why is the minister responsible for the Canada Mortgage and Housing Corporation grabbing for more money?

The federal government must realign its responsibilities with other governments in this country and the time to start doing it is now. It is absolutely necessary that the government take steps in the right direction, not backward as it is doing with bills like this one. In the light of the disastrous campaign the government led during the referendum debate, it is a pity it has not learned any lessons.

Canadians are taxed to the hilt with all the levels of government they are financing. Not only are they paying for services whose needs are often questionable, but they are paying for the same services again and again through user fees, not just at the federal level but at the provincial and municipal levels as well.

The Reform Party proposed in its recent 20–point plan for decentralization to totally transfer over to the provinces a number of areas of operation at the federal level that are duplicated at the provincial level. Those areas illustrate mostly a federal level of meddling in affairs that are actually set under the Constitution to be provincial. The federal government is long overdue in getting out of those areas of provincial responsibility.

This is not the time for the government to put up its feet and relax because it thinks it won the Quebec debate. It is time for the government to start coming up with a plan that truly decentralizes. One of the things it could be doing is moving total responsibility for housing to the provincial level. If the government would come up with such a plan, it would begin to save the taxpayers some money.

Perhaps it would not be such a bad idea if the government tried adopting the suggestions the Reform Party has made. We have offered the government the entire plan. We have dropped the plain brown envelope on the floor outside the office door of the Deputy Prime Minister. All she has to do is look inside the envelope to see what good ideas are shown there.

Yesterday in his speech at the Canadian Club in Toronto, the leader of the Reform Party received a standing ovation for the suggestions in that 20–point plan. It was very well received as could be seen by the live telecast of that speech on the "National" yesterday.

• (1220)

The Reform Party has been listening to Canadians. If government members need some help heading in the right direction, we are more than happy to assist. They just have to pick up the plain brown envelope off the floor outside the Deputy Prime Minister's office.

As I said, one of our proposals is for the federal government to get out of the housing business. If crown corporations like CMHC are truly self–supporting let us turn them over to the private sector. Areas which are perhaps socially oriented should be turned over to the provincial level.

Not only do Canadians want an end to federal interference in areas of provincial responsibility, they also want clearer distinctions of responsibility between the provinces. They do not want this muddled thing we have right now where municipal, federal and provincial governments get all mixed up together giving one another grants. It is like government incest in a way.

Canadians also want an end to federal interference in the private sector. They are sick and tired of the federal government interfering unnecessarily in their affairs.

Bill C–108 allows the Canada Mortgage and Housing Corporation to significantly increase its presence in the mortgage

market. It represents a further intrusion into a private market and will lead to further distortions of that market.

The federal government is artificially inflating mortgages in urban areas in order to subsidize rural areas. The government's policy of cross–subsidization of mortgages means that houses in urban areas cost more to Canadians than they would if the federal government stepped out of the housing business in the first place. It is all very well to offer a lower price to rural residents, but why should urban areas bear the brunt of that cost? Federal meddling in the housing industry also means that private companies like GE are offering mortgages at a higher rate as well.

It is time for the government to stop artificially jacking up mortgage rates and to stop subsidizing one kind of mortgage by gouging rates on another. Let private industry do what it does best, provide consumers with competitive mortgage rates.

In terms of the 5 per cent down program, there is a very real danger that any economic downturn which continues the trend we have seen lately where property prices have been falling could create a situation where homeowners are left holding mortgages worth more than the property. It is a simplification for the government to say that the liabilities we are incurring have no cost. If the property market turns down and homeowners walk away from some of those commitments, the taxpayers are left holding the can.

I was in the U.K. in August over the summer break. Incidentally, my trip was paid for with my own funds and not those of taxpayers. I met with some bankers while I was in London. To my astonishment, I was told that because of the property downturn in the U.K. some banks are now holding a lot of mortgages in their portfolios which are currently valued at 120 per cent of the properties on which the mortgages were originally taken out.

The banks are also holding in their portfolios huge numbers of vacant properties because people have walked away from those commitments. That is a sign of the sort of disaster which can happen if the government does not take into account where these liabilities could lead.

It is pretty frightening that we are building up a liability account in this area of something of the order of $150 billion. It is wonderful to offer this opportunity for new homeowners to get into home ownership, but to do it on the backs of the taxpayers is not a good idea.

For that reason among others, the Reform Party does not support an increased federal role in the mortgage market. We do not support increasing federal liabilities. We do not support federal meddling in the private sector and therefore, we do not support this bill.

In conclusion, I move:

> That the motion be amended by deleting all the words after the word "That" and substituting the following:
>
> this House declines to give second reading to Bill C–108, an act to amend the National Housing Act, because the principle of the bill does not address the issue of transferring the responsibility of housing from the federal government to the provinces.

Mr. Milliken: Mr. Speaker, I rise on a point of order. The motion the hon. member just moved was a substantive motion and not an amendment to the motion now before the House. I do not believe it is in order.

• (1225)

The Acting Speaker (Mr. Kilger): We certainly take every consideration necessary before making the proper ruling. Having reviewed the full contents of the motion and its form as it is written here, the motion is in order.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, it is a pleasure for me to speak about housing.

Since giving my first speech in this House during the throne speech debate, I have pledged to be one of those members who tries to make a difference and tries to make things work.

A wise man was once asked which was the most important level of government: provincial, federal or municipal. The wise man thought for a little while and responded by asking which was the most important leg of a three–legged stool.

We have had the referendum. I must say that I work in this House with all members from all sectors, the independents, the BQ, the Reform Party, the NDP, the Liberal Party and the Conservative Party. There is a lot of talent. Many of us are spending a lot of time on other things when the taxpayers have indicated there are so many restructuring things happening and the Canadian economy needs to be addressed. Yet we get into partisan discussions which are sometimes pretty nonsensical. We talk about devolution, restructuring and downsizing. Some people do not even know what the heck they are talking about with regard to those.

As a member of this House I am going to start talking directly to the Canadian people. They have sent us to this place to do a job. We have talents and we have to use those talents. We must use Canada's resources, both human and natural, to the best advantage for Canadians. Canadians expect to have jobs. They expect to have good health care and they expect to have good housing.

To address one of the points raised by the hon. member of the Reform Party, I remind him that the mortgage insurance premiums charged by the CMHC are sufficient to meet the risks being assumed at no cost to the government. The viability of CMHC's mortgage insurance fund is assessed annually by an independent actuary. An actuarial evaluation of the fund as of September 30, 1994 has confirmed its long term solvency.

Since 1946 CMHC has returned $1 billion in the form of taxes and profits. The mortgage insurance fund contributed an additional $35 million in 1992 to the consolidated revenue fund. The member also needs to be reminded that the activities of the fund contribute to the stable supply of affordable housing for all Canadians, including the handicapped and poor people.

No province has expressed an interest in moving into this sector of the economy. There is no duplication. A change in the market is essential for the viability of the fund. This balances the economic and budgetary risks. Clearly the third party is ignoring 320,000 Canadians who have purchased homes throughout the land with the fund.

• (1230)

Before returning to the substance of the bill I would like to address some comments by a member of the Bloc Quebecois. On one hand we have the Reform Party balance sheet argument. On the other hand I had a lot of sympathy for my friend from the BQ because he was looking at disadvantaged people. He talked about the fact that some of them made only $30,000 and had problems.

I will return to the facts. I say as a mayor of a community that we needed intervention by governments. There were slum landlords. There were cockroaches. There was inadequate housing. The heat would be turned off at certain periods of time. That intervention has brought real standards so that we could have good homes for all Canadians.

The member opposite did not give the correct statistics with regard to the amount of funds spent in Quebec. I will address some of his comments. Between 1986 and 1993 Quebec received 29 per cent of all federal social housing units committed nationwide. In 1994–95 in Quebec $357 million was spent on social housing. The member simply chooses to ignore the importance of that contribution.

That contribution means that 140,000 units of social housing received federal assistance in Quebec. It also means that Canadians in Quebec have benefited from federal programs like the residential rehabilitation assistance program.

One factor the member should be aware of is that the funding for new social housing commitments in Canada has been distributed according to a model established on need. That is why Quebec received 29 per cent of all federal units between 1986 and 1993. Additionally between 1992 and 1994 there were more than 53,000 instances of first home loan insurance for Canadians in Quebec. This is one example of what the federal government can do to assist all Canadians.

This program costs the government nothing. CMHC has returned more than $1 billion in profits and taxes to the federal government. Over and above this amount, the federal government has received $55 million from the mortgage insurance fund. This amount was returned to the consolidated revenue fund in 1992. It is being applied to reduce the federal deficit.

We have a great country in Canada. We have our problems but we have solutions to the problems. When we work collaboratively on the solutions the country will do well. That is why we are the best in the world, between number one and number three. That is why we have good standards.

Notwithstanding that globally we have a lot of structural change, Canadians will come out better because we will apply the programs for which the government was elected. We have the talent to do it and we have the will to do it.

I am pleased to have the opportunity to speak in support of Bill C–108, an act to amend the National Housing Act. This is an administrative bill, the purpose of which is to increase the ceiling of the CMHC mortgage loan insurance from the current $100 billion to $150 billion.

My colleague also described for us the importance of the role of the CMHC's mortgage loan insurance, the importance that it played and continues to play in helping Canadians to have access to home ownership.

Home ownership is a cherished dream held by many Canadians and there are good reasons for it. Home equity is a major portion of wealth accumulated by households and has been a great source of retirement savings for Canadians. The concept of home speaks to one of our basic human needs. Home is a place where people feel secure. Owning a home gives people a stake in their community and a sense of belonging.

• (1235)

Home ownership is a concept that the people of Canada support. That is not likely to change at any time soon. It is therefore critical that CMHC is able to continue to provide mortgage loan insurance to Canadians today and in the future.

One of the most important aspects of CMHC mortgage loan insurance is the public policy mandate to provide equal access to mortgage financing at the lowest possible cost for all Canadians regardless of where they live in Canada. Equal access is achieved through cross–subsidization. Surpluses generated from lower risk businesses are used to fund shortfalls in higher risk businesses.

The public policy mandate of equal access distinguishes the CMHC in a major way from the private insurer. Without access

to CMHC mortgage loan insurance Canadians in some parts of the country would have to come up with a conventional 25 per cent of the value of the house as a down payment. Needless to say, many Canadians would hardly ever be able to purchase a home if this were the case.

CMHC's mortgage insurance is therefore critical in helping Canadians to access home ownership. CMHC has long recognized that the housing financial needs of Canadians are diverse. The corporation's mortgage loan insurance has traditionally demonstrated the flexibility to respond to varying needs.

I refer to an example that has helped hundreds of Canadians realize the affordable home ownership dream. The manufactured housing or mobile home industry has contributed greatly to giving Canadians access to good quality, affordable housing. CMHC has been working in partnership with the manufactured housing industry for many years because of the importance of the housing sector in the economy of Canada as a whole.

Canada Mortgage and Housing Corporation introduced its chattel loan insurance program, known as CLIP, as a five–year experiment in 1988. The objectives of CLIP were twofold: first, to improve access to alternative forms of affordable housing without involving government expenditures and, second, to help place manufactured homes in a more competitive position with conventionally built homes.

CMHC completed an evaluation of CLIP last year which confirmed that the program is an important instrument in increasing access to good quality affordable housing without involving government expenditures. The evaluation also confirmed that CLIP has had a positive impact on the manufactured housing industry and mobile home park developments.

Following the results of the evaluation the minister responsible for CMHC was pleased to announce an expansion of the chattel loans insurance program. As a result it now includes new homes, resale homes and manufactured homes in Canada.

CLIP is an affordable alternative for many of the approximately 335,000 moderate income rental households that could not previously afford to purchase a mobile home. The CMHC and the manufactured housing industry have enjoyed a productive partnership for many years. They have been working together to help Canadians gain access to good quality, affordable housing and to enhance the viability of the industry. The enhancement of CLIP will lead to greater access to mobile homes as affordable options for many Canadians and will encourage growth in the housing industry.

CMHC and the mobile home industry have done their part. The consumers have shown they are interested in mobile homes as a housing option. Certainly there can be no doubt of the importance of NHA insurance in making the program possible.

This is only one example of how NHA mortgage insurance has met the specific need and why NHA mortgage insurance must be maintained as a public policy instrument capable of evolving to meet the future housing needs of Canadians.

With any eye on future needs CMHC is currently working to develop a variety of new housing finance instruments made possible by innovative uses of mortgage loan insurance. In developing new products CMHC is looking to challenge the creativity of the financial community to ensure that the largest possible number of borrowers can find a product in the marketplace to meet their precise needs. A variety of choices will encourage lenders to compete on a basis of service and product differentiation.

• (1240)

The financial environment in which CMHC's mortgage loan insurance business operates has undergone significant changes in recent years. The introduction of one–stop financial services, the increased use of technological systems to support businesses and operations, and the need to manage expenditures and facilitate better risk management are factors that have had an impact on the way in which CMHC runs its mortgage insurance operations.

CMHC has responded to a changing environment by continually reviewing its processes for delivering mortgage insurance and introducing improvements and efficiencies where needed. Ensuring that CMHC's mortgage loan insurance remains relevant and capable of responding to the changing housing and financial needs of Canadians adds a major focus to the activity of the corporation.

CMHC is now focusing on the introduction of new processing mechanisms which will utilize the capabilities or electronic communications between CMHC and its approved lender clients. The enhancements will allow the corporation to serve better the needs of the Canadian housing consumer.

Mortgage loan insurance has played a significant public policy role in the past. CMHC's stewardship will continue to evolve to meet the changing needs of Canadians and the financial community.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I have one question for the hon. member in relation to the overall concept of CMHC.

My understanding is that it was felt necessary in the past that we had to develop this corporation to address the needs of Canadians who were incapable of meeting the 25 per cent, et cetera, to realize their own homes.

If we are to put another $50 billion into it, it implies that more Canadians are in need of it. Since the economic situation in the first place did not allow them to buy their homes we created the

program and now we are expanding it. Would it not be better to put the $50 million into the economy so the people can get work, meet the 25 per cent requirement and reduce CMHC instead of increasing it?

Mr. Jackson: Mr. Speaker, I thank the hon. member for her question. The corporation and the Government of Canada are responding to the housing need.

In the construction industry housing is a major motor of the Canadian economy. When the housing sector falters the whole system falters. Many people are looking for jobs right now. In my earlier dissertation I alluded to the fact that nobody in the private markets is not responding.

The initiative does not cost the government a cent. Using my old hat as mayor of Owen Sound, we have had private sector and CMHC interventions. The main role of CMHC is to make sure that handicapped people are looked after, that the heating requirements and other construction requirements are met before they are allowed insurance. There has to be a balance in the system. If the government intervenes too much it probably affects the private sector people. In the communities there is a groundswell to keep that from happening.

I assure the member there is a need for the initiative. Infusion in this category is probably better than putting it in other places because of the spinoff effects of building homes in communities. There will be a multiplier effect on the dollar and job creation. The activity it will create in the hardware store, the corner store and for construction workers, et cetera, will be enormous.

• (1245)

It is simply that there is a real need and it is a great thing to happen. As I have said before, health, work and housing are the three most important things for Canadians. This initiative helps those exactly.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I rise again to tell the Canadian audience that the speech made by the hon. member for North Vancouver was somewhat wrong. First, I wonder if he has read the bill and second, I do not know why he disagreed so strongly with the fact that this is a cost revenue neutral program.

As a matter of fact, the Government of Canada made money in 1994. The mortgage insurance fund gave $55 million back to the treasury. It is beyond my wildest imagination why members of the Reform Party would so strongly object to this bill.

My colleague from Bruce—Grey made an eloquent speech. It was obvious that he had read and understood the thrust of the bill which says essentially that $50 billion in liability will be added to the $100 billion that the Government of Canada already has to provide those Canadians with low incomes the backing to be able to own their own homes. This is extremely important because in many cases a 25 per cent requirement for a down payment is not there. They simply do not have the revenue. However, if they have 5 per cent or 10 per cent, the Government of Canada comes in and guarantees their loan with any bank in Canada.

I would like to ask my colleague from Bruce—Grey how important is this initiative for those Canadians who would not otherwise have the opportunity to buy their dream home?

Mr. Jackson: Mr. Speaker, the CMHC gives Canadians a choice of mortgage loan insurance. Without the CMHC Canadians would be served by a private sector monopoly. The risks with a monopoly are higher prices and fewer choices, making housing less affordable, particularly for first time home buyers.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, it is a pleasure to rise and speak on Bill C–108, an act to amend the National Housing Act.

In 1987, CMHC introduced National Housing Act mortgage backed securities, a new way of attracting investors into the mortgage market and increasing the supply of funds available for home buyers. Since then the program has become a key part of the financial system in two respects: first, as an attractive real estate based investment offering very good yields and maximum safety; second, as a source of financing for the Canadian housing industry. The mortgages are all insured under the National Housing Act.

The fact that these blue chip securities are the only ones of their kind backed by the federal government makes them as solid as Canada Savings Bonds but with the added advantage of higher yields. Yields are greater because their liquidity is market based and their value fluctuates with market interest rates.

MBSs help to increase the amount of private capital available to finance the construction and purchase of homes and rental accommodation and encourages competition in the mortgage market. MBSs help to support the availability of lower mortgage interest rates by assisting smaller approved lenders to compete with the larger ones.

MBSs have also improved the security of tenure for Canadians through longer term mortgages. Before they were introduced, mortgage terms usually ranged from six months to three years and now consumers can benefit with terms of up to 25 years. Over $25 billion worth of mortgage backed securities have been issued since the initiative began in 1987.

Turning to the bill itself, it is quite straightforward. It is intended to increase the maximum aggregate mortgage loan insurance from $100 billion to $150 billion. It sounds like a large sum of money, but at the same time we have heard members on this side of the House explain that this is really a profit making venture on the part of the government, which

contributes to the reduction of the national debt and at the same time encourages housing construction.

• (1250)

Many really do not understand what we are talking about when we say mortgage insurance. Some people have the view that it is like life insurance and it is something that is put on a mortgage to insure someone's life. Most lending institutions will only lend up to 75 per cent of the value of a house or a property available for construction, so there is the leftover portion of roughly 25 per cent. That can only be accommodated in one of two ways, either the person who is building the home or buying the home comes up with that 25 per cent, or the financial institution receives a guarantee that it will be paid back that 25 per cent. That is where mortgage insurance comes in and that is why it is essential.

It is clear from everything I have read that if mortgage insurance was not available for that 25 per cent, housing construction would literally grind to a halt and we would see no activity at all.

I have gone through the joys of constructing a house of my own. I use the term joy very loosely. It is a challenge more than a joy. I contracted out the work myself, which means I used to be seven feet tall and had no grey hair, but after having being beat up by all of the contractors and chasing around, I realized exactly what goes into constructing a home.

What I was struck by in the process was the amount of employment created in the construction of just one home. People have no real appreciation of the facts because a lot of people have contractors build their homes and do not really see the full effect of what one house has in the construction industry.

I had five framers working on my house for six weeks. Those are the people who build the house and do all the rough construction. I had two plumbers working on my house for at least two weeks and three electricians working for another two to three weeks. Eight roofers put on the roof in two days, which I was very impressed with, but there were eight people scampering all over the roof. Four people put up the gyprock and another two put on the plaster. As well, there were painters and finish carpenters.

I was lucky to have fixed contracts so that I did not get beat up by the time that it took on this particular contract, or else I really would have been looking stupid, but fixed contracts are very important in these circumstances. What struck me was the sheer number of jobs created. That does not even account for the other people who were involved, the building supply people, the manufacturers of the pipes, the sinks, the toilets, the sewer pipes and those types of things, the cabinet makers, the people who do the hardwood floors and the carpets.

I am sure I have forgotten some of the people who were actually involved in the process. My wife is sitting at home telling me I have forgotten about this and I have forgotten about that because she did it all and that is why I do not know. She did most of the contracting rather than me.

The fact is that literally hundreds of jobs are created because one person chooses to build a house. If we can make that happen throughout the country, then we are really going to be creating a large amount of employment. It is clear that housing is a major contributor to the creation and the maintenance of employment. That is why mortgage insurance and CMHC have a very critical role to play.

In this major indication of commitment, the government is saying it wants to spur on the housing industry. For those on the opposite side that say it is crazy, that we should not do it, that we should let the marketplace do it on its own, I would like to read some of the stats that are put out by the housing industry.

In a press release in September of this year CMHC forecast housing starts of 112,500 for 1995, an astonishing 30,000 drop from the initial forecast of 141,000 starts at the beginning of the year and far below national housing requirements of 165,000 starts. While the news is a little better in 1996 with CMHC forecasting another 127,000 starts, the housing industry is at recession levels. Ways have to be found to encourage the housing industry because it creates the employment Canada needs.

• (1255)

The press release went on to state that lower interest rates are not the cure all for the current situation. Lower rates will not address the principal problem, the loss of confidence among many Canadians in their employment prospects.

That is why we have a double barrelled task here. First, to create that confidence, which is what the Liberal government is doing now by getting our financial house in order, while at the same time providing those mechanisms like mortgage insurance so that the housing industry can easily facilitate the increase in construction which is necessary. I want to emphasize that the key is confidence. We have to establish confidence. We have now turned the corner on the referendum. It is time to start talking about confidence, about creating employment and carrying this country into the 21st century.

New approaches and new directions for financing the housing industry have to be found. I know the industry has brought forward a number of imaginative approaches. It talked about RRSP loans for mortgages and all of those things. I found it interesting to look at some of the things that Central Mortgage and Housing is actually doing now. I thought I should read those into the record because they are important as we try to grapple with housing. If this country is going to succeed, one of the areas which will help cure crime problems, create jobs and, in

effect, fuel a positive, caring society is through the provision of adequate and proper housing.

Here are some of the objectives of the National Housing Act and what CMHC supports. Through social housing, CMHC works with provincial, territorial and municipal housing agencies and with local non–profit organizations, co–operatives, urban native groups and First Nations, for those whose needs cannot be met by the private market. Assistance is provided to more than 661,000 social housing units.

CMHC's direct lending program enables CMHC to act as a break even lender to public and private, non–profit and co–operative projects that are subsidized by CMHC.

CMHC is helping the Canadian housing industry to promote the Canadian housing system abroad by helping to develop housing export strategies to assist the Canadian housing industry market Canadian housing technology, products and services in world markets.

CMHC's Canada Centre for Public–Private Partnerships in Housing facilitates housing partnership projects involving the production of affordable and accessible housing for low to moderate income households without ongoing federal subsidies.

CMHC continues to provide leadership in improving not only Canadian but international housing standards. Those are just a few of the things that are ongoing.

In conclusion, this bill will be pooh–poohed by the members opposite, some saying it is too little and some saying it is too much. Mortgage insurance has been one of those key catalysts to keeping the housing industry functioning and a positive contributor to the economy and to the creation of jobs. At the same time, as has been mentioned before, it makes a contribution to the reduction of our debt as CMHC returns a profit to the Government of Canada.

I am sure that members opposite will see their way clear to quickly support and pass this piece of legislation.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I am really pleased to hear the hon. member's comments regarding this bill and the positive forces it will have on the economy of our country.

Only a few weeks ago I had the ambassador from Poland in my riding of Cumberland—Colchester, Nova Scotia. The purpose of his visit was to look at housing for Poland and eastern Europe. The interest is there because they know that Canada and particularly Atlantic Canada have numerous sawmills making new houses constructed of wood, high insulation products and meeting the R–2000 code for insulation standards.

• (1300)

When we had the G–7 conference in Halifax in June, we produced a G–7 model home. This was the interest the east European countries had in looking at Canada and the great potential in development. Could the hon. member elaborate a bit on the value of this construction, on the high prestige of construction of homes, on the value to the world structure, on the peace and economic development it will bring, as well as bringing jobs here at home and adding to that great potential of export for our country?

Mr. Rideout: Mr. Speaker, I thank the member for her question. It is an interesting one, because in a country the size of Canada, with a population of roughly 30 million, the key to a lot of our economic success is the role we are to play on the international market and what we will accomplish there.

What is very gratifying for me in my role as Parliamentary Secretary to the Minister of Natural Resources is dealing with companies that are actually building model homes or sending building materials into the international marketplace.

I recently had a meeting with a model home builder who is building homes for the Japanese market. A lot of people said that would not happen, that we could not crack that market. The manufacturer was telling me that he cannot supply the demand, that if he could generate more he would. The market is flooded with the types of housing that do not fit the strict criteria necessary in the Japanese market. Canadians have developed the techniques, the building standards, and those types of things that make it easier for us to introduce our products into the international marketplace.

I hear the Reform Party from time to time talk about doing away with the Department of Natural Resources, saying that the federal government has no role to play. As we set the standards so that we can meet the international criteria and the International Standards Association requirements, as we do the research and the development that is necessary and develop the new technologies that allow our industries to compete in the international marketplace, we are making that contribution to creating jobs in Canada. That is where the housing market has an integral role to play.

In my home province, Kent Homes, part of a larger company, is building model homes and is trying to sell those all around the world. Just as I described the number of people who were working on my house when I was building it, the same sorts of things are going on in the construction of model homes. These are job creators. They are a transfer of money, jobs, and growth to the international marketplace so that we can then reap the returns from those activities.

The Department of Natural Resources has an excellent role to play, CMHC has a role to play, and we at the federal government

level have a very important role to play in creating employment through housing. This bill will make one small step for that approach.

The Acting Speaker (Mr. Kilger): In closing the intervention of the hon. parliamentary secretary, the word from Moncton from many subcontractors is they wish he had stayed in Ottawa and let Mrs. Rideout look after the contracting.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, a lot has been said about CMHC's involvement in providing insurance so that more people can afford homes. I would like to touch on the area of social housing and the way the National Housing Act and CMHC have helped in the social housing. I would like to use experiences in my riding.

Canadians of Lithuanian descent in my constituency saw the need for housing for seniors. In no way could these seniors afford individual homes, et cetera, so they built Vilnius Manor. How did they build it? They got a long term mortgage from CMHC at a very low percentage over a long period of time. Today these seniors are enjoying one of the most beautiful homes in Toronto, probably. In this home the seniors not only mix with Canadians of other heritages but they can also hear their own language. They can also see part of their own culture that they brought with them to Canada. It is a real success story, situated right on Bloor Street in Toronto.

• (1305)

An example of a similar project, again funded or assisted by CMHC, is Copernicus Lodge. A group of Polish descent built Copernicus Lodge as a home for seniors. It was filled up before it was even completed. In these models some people have to pay the full rent and others get a subsidized rent. Again, there is a women's auxiliary with this Copernicus Lodge who provide activities for the seniors. You will not see happier Canadian citizens than the ones living at Copernicus Lodge.

Another example in my constituency is Wawel Villa. Again thanks to CMHC funding a group of seniors can live in Wawel Villa just opposite High Park. They can walk through the park and enjoy life in their older years.

I had the experience also of helping Canadians of Latvian descent to build Kristus Darzs in the Woodbridge area. Again, this home would never have been built if it were not for the assistance of long term loans from CMHC.

I hope this program will never be cut. We have thousands of such homes across Canada providing comfortable living for those in these kinds of homes.

A problem is beginning to develop that I would like to share with the minister, the mover of this bill. As these people age in these homes they now need more intensive care. Many need ongoing nursing care. Many require chronic care assistance and they do not want to move out. These homes were not built for these kinds of clients.

Do they move out? Where do they move to? Most of them want to stay. All the homes I have mentioned are looking. Copernicus Lodge has already built a second phase. They have floors that provide more intensive care for the people who need it. This is a problem that is facing our country. We build affordable homes for senior citizens as they get into their eighties and nineties. And I am so pleased that many are living into their eighties and nineties, and some are reaching a hundred and over. But they need special care.

Rather than move the people out, we have to provide in these homes more intensive assistance, which requires a different kind of personnel. It requires highly trained nurses, psychologists, social workers, and so on. Yet these are the areas where unfortunately the Conservative provincial government is cutting back. I do not know why the premier of Ontario wants to cut back on the backs of seniors. I believe we have to reduce our deficit. We have to run a much leaner government, but not a meaner government, such as the province of Ontario appears to be doing. This is an important issue, which will be facing the country even more intensively.

This brings me to the issue of jurisdictions. We have been talking over the last month about perhaps moving some of the powers the federal government has to provincial jurisdictions and co–operating with the provinces to decide who can deliver these programs the best.

• (1310)

We are talking about federal programs in housing. The province of Ontario also is involved in housing. If someone in the greater Toronto area wants a subsidized unit, they go to the metropolitan Toronto level. The city of Toronto has a program called City Homes to help people with affordable housing. There are four levels of government—federal, provincial, metro Toronto, and Toronto—all involved in housing.

If we want to keep the country together, these are the areas we must look at to see who can deliver the housing programs best, most efficiently. And let us talk with the other levels of government. If there is one level that can do it better, fine, it can take over a certain area. If the federal government can do it better, it would take over, with the caution that the federal government will still need a strong central government to maintain standards coast to coast to coast, be it in housing, day care or health care.

I wanted to put on the record the kind of assistance my constituency received thanks to the type of bill we are amending here today, the National Housing Act.

The House has heard the problems that are facing the Parkdale area of my riding, with prostitution, drug trade, high school dropouts, et cetera. We are trying to analyse why in one part of my riding there is such a heavy concentration of all these social problems yet in another part of the riding there are not the same

problems. One thing, in my analysis, that contributed to this is the lack of home ownership in the troubled area. In that area only six per cent of the population own their homes.

Again, if all levels of government got together to make it possible for people to afford their own homes and build a family unit, we would reduce the numbers and the kinds of problems facing the Parkdale area. We are working on it, but we do need help from legislation such as we have here today.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I appreciate the hon. member's comments about the value of housing to seniors. I am sure every member in the House can appreciate that in his or her own community.

So often we hear criticism about CMHC, about government involvement in mortgages. I would like to ask the hon. member why the government is involved or should be involved in the issuing of mortgages for housing here in Canada.

Mr. Flis: Mr. Speaker, wherever government involvement creates unfair competition, I feel government has no right to be there. However, the mortgage insurance that is provided with this legislation is fair and equal competition. It provides insurance for people who would normally not get it through private insurance companies. By providing this alternative, it keeps the rates down also. If we believe in the free market forces, which I do, it is good for consumers, because it does keep the rates down and it makes mortgage insurance available to those who otherwise would not get the insurance and consequently would not be able to purchase a home.

We made some amendments not long ago about allowing first time homebuyers to make a down payment of just 5 per cent. This was another good move to make home ownership more accessible and affordable to more Canadians. It is the same with the insurance.

• (1315)

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, it has been interesting to listen to the comments of my colleague and others who have spoken on the bill and to understand the intricacy of this legislation. It touches the aspect of social housing, to which my colleague has just referred. Previously we heard how it will impact the building trades and local economies across the country.

We also understand that this legislation will have an impact on our ability to trade in foreign markets. As the hon. Parliamentary Secretary to the Minister of Foreign Affairs knows, this is an important aspect of this legislation as well. Here we have a bill presented in the House of Commons that is prepared for the national good and yet we have the third party challenging it, wanting this responsibility for housing to be devolved to the provincial level.

I would like to ask the parliamentary secretary if he can see any real value in that kind of solution, given the kinds of things that we are hearing and the facilitative role that this particular and single piece of legislation has for all Canadians in so many different ways.

Mr. Flis: Mr. Speaker, I thank the hon. member for her concerns and for raising these issues. She ran and I ran and I think most people in this House ran on one theme in our platform, which was prosperity and job creation.

The more homes made available to Canadians the more jobs are created. When you consider what is bought when someone purchases a home, people mention immediately fridges, stoves, et cetera, but those you need in an apartment when you do not buy a home. Think of all the other infrastructure, the landscaping, the garden, the paving of the driveway and how many jobs this creates.

I am glad we are having this debate because the member mentioned her experience with the Polish ambassador and his interest in our housing system. When I was taking cour des français in Saint–Jean, I met with a representative of a company from Quebec who wants to export 240 homes to Krakow, Poland. The technology is totally Canadian, totally Quebec. It would be shipped out to Poland all prefab and later put together.

Imagine the kind of job creation that project alone would have. However, the problem in Poland is that people cannot get mortgages to buy those homes. Poland is looking very closely at the legislation we are discussing today because through such a program the people in Krakow, Poland could buy those 240 homes.

If it is successful, we can repeat this model not only in Poland, but in Ukraine, in Russia, all over the world. This would be a niche for Canadian manufacturers of housing. This would be a niche for getting into the export field.

The Standing Committee on Foreign Affairs and International Trade is now looking at how we can help the SMEs, the small and medium sized companies, to get into the export market. We have such great entrepreneurs who are sharing their expertise with our foreign affairs committee. Again, I keep stressing jobs because if you increase exports by $1 million, you have created about 35 new jobs. When you are exporting in the billions, imagine the kind of jobs that will create.

We have a beautiful country. We have a country like no other in the world. Let us stick together. Let us co–operate with every province and the nation. Let us co–operate with every province and the world. We have expertise such as I have mentioned here

and we will keep our number one position. Not only that, but we will improve the lifestyle of people in other countries.

I thank the member for that question.

• (1320)

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

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on the amendment. Is it the pleasure of the House to adopt the amendment.

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, a recorded division stands deferred until Monday, November 6, at the ordinary hour of daily adjournment.

Mr. Milliken: Mr. Speaker, I think you would find a disposition on the part of the House to call it 1.30 p.m.

The Acting Speaker (Mr. Kilger): Shall I call it 1.30 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): 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*]

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved that Bill C–343, an act to amend the Criminal Code (arrest without warrant), be read the second time and referred to a committee.

He said: Mr. Speaker, Bill C–343 which I am happy to address today is not a lengthy bill. I do not believe it will require a lot of debate. I would like to read the actual amendment:

> Subsection 495(1) of the Criminal Code is amended by adding the following immediately after paragraph (c):
>
> (d) a person who has committed the offence described in subsection 740(1) or who on reasonable grounds, the peace officer believes has committed or is about to commit the offence.

The purpose of this bill is to give the police or a peace officer the power to arrest without a warrant a person who is in breach of a probation order binding the person.

This is not an idea that was dreamed up out of the blue. It came to me from talking with a number of police officers during many of the ride–alongs I had with various police units throughout the country including Calgary and particularly Toronto. The officers had mentioned to me on a number of occasions that if they had the power and authority to arrest individuals who were in breach of a probation order, it would be a good preventive measure to stop a lot of crimes.

Let me give a couple of examples. When I was riding in a Toronto police car a couple of officers identified a young offender who walked by on the street at two o'clock in the morning. They named him and said he was a young offender who was on probation for dealing drugs. He was not even supposed to be on the streets past six o'clock in the evening.

I asked what they would be able to do. They said that they would take the name and report to the probation unit that this individual was in breach of probation. However, they had no authority to do anything. A young fellow who had been convicted of drug dealing being out at two o'clock in the morning probably meant that something was not right. It is the belief of those officers, and they have a number of cases they can name, that had they had the authority and the ability to take the person into custody for breach of probation that the crime, which was committed later in the evening by the individual, would have been prevented.

• (1325)

Another example. An individual, because of an alcohol problem, was on probation for either a domestic dispute or for committing crimes while under the influence. Whether there has been a court order or this individual is under probation, the individual is not allowed to enter a bar or a drinking establishment. This is part of the probation order. Police have told me that a number of times they see such individuals breaking their probation orders by either being seen consuming alcohol or going into places where they were directed not to go.

All the police can do is report to a probation officer which may take as much as one or two weeks because of the lack of manpower. Had they been able to just arrest the individual on breach of probation, summary conviction, that it would have prevented problems later in the evening.

A number of other times in one particular area there had been young offenders arrested on 52 counts of break and enter. These are young offenders who are required to attend school, are required to be at home by six o'clock in the evening and are required to do a number of different things. They were obviously in breach of probation on a number of occasions by being out very late at night. There were 52 charges of break and enter but only one conviction. They were found guilty on all charges. There was the one conviction but they were not incarcerated. They were put on probation and were expected to follow the rules.

More break and enters followed because these individuals were out late, clumped together and kept stealing. The police said: "If only we had the authority and the power we could have prevented some of these problems". They do not even have to arrest and lock them up. The fact that they would have the authority to stop them and ask them what they are doing breaking their probation orders, maybe giving them an opportunity to get the heck out of there and go home, would help. However they need the authority to do it.

This small little bill is just one measure that would help a great deal in the prevention of crime throughout the country. It is something the police have asked for. It is something that I have agreed to submit on their behalf. It was awhile before my name was drawn. I was lucky enough to get it drawn so I am putting this forward.

In the near future I will also be putting forward legislation that would give police the authority to arrest people who are in violation of parole and statutory release. Whenever there are conditions to a release somebody should have the authority to do something when they are in obvious breach of those conditions.

I do not believe any member in the House can say for a moment that it would not be a good idea to stop crime before it happens. There is no doubt in the minds of all the enforcement officers I have talked to that if they had the authority, which they do not have now, if they had the ability, which they do not have, they would be more than pleased to do these things because they feel that would be a major part of their job. Let us face it. Enforcement of the law is a major part of their job, but so is prevention. If those in the enforcement agencies can prevent it from happening, they do so.

That is why they stop drunk people from getting behind the wheel of a car and driving off. They do not wait until a drunk person drives off, they prevent it by trying to stop that person from getting behind the wheel.

This is a perfect example of something this House should do by adopting this kind of measure. I do not have much more to say on it. It is a common sense measure and does not encroach on anyone's rights or privileges. We always seem to be worried about the charter and the interference we may run into on a charter challenge.

The supreme court judges surely would get the message from legislators that this kind of legislation is serving a purpose. This purpose appears in the red book. It is in the Reform Party policies. It is in the Bloc policies. One of the policies of every party in this House is to make Canada a safer and better place in which to live. This kind of legislation would do that.

I encourage support from everyone in the House to put into the hands of the police departments throughout the country the power and the ability to do this. They do not have it now. I repeat, they cannot do it now. Let us make it possible for them to do so. Let us take the burden off the understaffed and undermanned probation departments. They are running at an unbelievable pace trying to keep up with all the difficulties they now have.

It is a way of accomplishing what we all said we would do in our policies. It is a small way, but a good place to start. I suggest that we adopt this bill immediately.

The Acting Speaker (Mr. Kilger): I see the member for New Westminster—Burnaby rising. It is not for me to manage the operation of the House but in private members' hour the mover of the motion has 20 minutes and the other speakers have 10. I do not believe the member for Wild Rose gave any indication as to whether he might be splitting his time. He did use only 10 of his 20 minutes. Perhaps the member for Wild Rose could help the Chair.

Mr. Thompson: Mr. Speaker, I did not make any arrangements to split my time. It does not take 20 minutes to talk on this topic. I am willing to share my time with either one of my colleagues, with agreement.

The Acting Speaker (Mr. Kilger): Upon that clarification, certainly if another member of the hon. member's party wishes to split that time, there is 10 minutes remaining. I will recognize the member for New Westminster—Burnaby.

Mr. Thompson: Mr. Speaker, after further consultation with my colleagues, let us go in the rotation order.

The Acting Speaker (Mr. Kilger): As you wish.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I am pleased to speak on Bill C–343. Let me begin by acknowledging what I understand to be the objectives of the member in putting this bill forward.

The objective is to make it easier for a peace officer to arrest someone who is breaking the terms of a probation order. The target group for this measure is anyone who is under a probation order. Such an order could include many types of conditions, for example, that the probationer refrain from alcohol, stay within the jurisdiction, avoid use of firearms, or attend counselling.

We may be talking about family situations where someone is convicted of an offence and is ordered to keep away from other

family members. It might be a situation where an offender is ordered to keep away from public parks or school yards.

Failure to comply with a probation order is an offence under the Criminal Code. I suggest that this is good criminal justice policy. Under the current provisions, an offender's probation can be revoked because of a serious breach of a probation condition. He can be arrested and charged for the distinct offence of breaching a condition.

• (1335)

Let us examine some situations and where it leaves a police officer who encounters someone who appears to be breaching one of the conditions of his probation. The police officer's authority is defined in section 495 of the Criminal Code which authorizes the peace officer to arrest without warrant a person found in the course of committing a summary conviction offence.

Say for example the peace officer finds someone loitering around a public park where children are playing. If the peace officer is suspicious of the person he sees loitering at the park, he can investigate in the usual way. If he finds that the person is bound by a probation order which forbids the person going near public parks, he may actually be in a position to arrest him on the spot. Just being present in the park may constitute an active criminal offence.

At the moment, breach of probation is a summary conviction offence and the peace officer's authority to arrest without warrant is limited. To arrest without a warrant the peace officer currently must satisfy the conditions set out in section 495 of the Criminal Code which states that a peace officer shall not arrest a person without a warrant where on reasonable grounds the public interest may be satisfied without so arresting the person at the time.

In making this judgment the peace officer must have regard to all the circumstances, including the need to establish the identity of the person to secure or preserve evidence concerning the offence, or to prevent a continuation or repetition of that offence or another offence. In effect the peace officer has some discretion to arrest on the spot but he must exercise that discretion according to several criteria laid out in the Criminal Code.

Bill C–343 would make the policeman's job easier by freeing him from having to satisfy these conditions. If breach of a probation order were an indictable offence, fewer conditions would need to be satisfied. In that case the police officer could arrest the person if he believed on reasonable grounds that the person had committed the offence or was about to commit it.

This is precisely what Bill C–41 does. Bill C–41 deals with Criminal Code amendments to improve and modernize our system of sentencing. It makes failure to comply with a probation order under section 740 a hybrid offence, that is, one that can be proceeded with by way of indictment or by summary conviction procedure. Hybrid offences are considered the same as indictable offences for purposes of arrest without warrant.

The bottom line is that the police officer will now have the flexibility the member for Wild Rose would like. The police officer can arrest without warrant where he believes the person has breached or is about to breach a condition of his probation and not just during the course of the offence.

Bill C–41 received royal assent on July 13, 1995 but is not yet in force. Therefore the first part of Bill C–343 will be unnecessary as soon as Bill C–41 comes into force.

I would also like to bring to the attention of this House another relevant modification included in Bill C–41. It is a modification to section 740 that may make it easier for the police officer to do his job. Section 740 refers to someone who "wilfully" refuses to comply with a probation order. Bill C–41 changes the wording to "without reasonable excuse". This may make it easier for a police officer to legitimately challenge a person, in the situation I have described, to provide a reasonable excuse for being in the park or near the school yard in apparent violation of the probation order.

Bill C–343 would give more freedom to arrest than Bill C–41 would give. Bill C–343 would create an exception to the general rule for this offence of failure to comply with a probation order. The arresting officer would not have to bother considering the overall circumstances, or whether it was necessary to take the person into custody in order to establish his identity for example.

It is evident there is a preference in our criminal law for using appearance notices or summons as opposed to arresting persons on the spot. Taking someone into custody without warrant should only be done where it is necessary. Alternatively the peace officer is expected to seek a warrant or issue the appearance notice.

Why should we make the breach of a probation order an offence different from most other offences in the Criminal Code? Why should the peace officer not be bound to respect the safeguards placed into the code to guarantee basic rights and liberties?

It is unacceptable to exempt this particular offence from the rules governing arrest powers for other criminal offences. I am not sure whether an argument could not be made that such an exemption is arbitrary or otherwise excessive and therefore contrary to the charter of rights and freedoms. The real issue here is controlling the risk to the community or to particular individuals presented in various situations.

• (1340)

Probationers are subject to the active supervision of probation services and this supervision provides an additional measure of control. Probation officers are experienced in judging when a breach of probation order is merely a technical violation or

something more serious that deserves revocation of the probation or an arrest and separate charges under section 740 of the Criminal Code.

Police and probation officers work together to monitor these conditions. I believe peace officers have what they need to handle almost every situation. If a suspect is actually committing the offence of breach of probation, they have authority to arrest that person without a mandate. Similarly, they have that authority when they believe the suspect has committed the offence or is about to commit an indictable offence. Alternatively, they may choose to issue an appearance notice or even seek a warrant.

They are not overly restricted in their ability to arrest someone who is hanging around a park or drinking alcohol or attempting to approach the residence of a former spouse without a reasonable excuse. If they believe a loiterer is about to repeat that offence or commit another one, they can exercise their good judgment and arrest that person.

I do not believe the criminal law modifications proposed in Bill C–343 are necessary.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I have just a few extemporaneous, spur of the moment observations to make.

Perhaps I can provide some perspective on the bill, seeing that my previous profession was that of probation officer and I was in a situation where administratively I dealt with the relationship with the 24–hour contact agency, which is the police, and saw the behaviour of probationers. Often on a Friday or Saturday night things were happening in the community, but the probation officer generally worked in an office in a day situation.

Certainly the well meaning intention of this private member's bill comes from legitimate police concern. It also can be seen that it comes from public concern. I am adding that it also comes from criminal justice probation officer concern.

The bill gives some reasonable discretion for giving additional tools to the police. That is not to say, as the member for Lanark—Carleton would say, that this is unjustifiable in the panoply of what is available to police officers. However, we must look at what are the administrative instructions to police specifically concerning their justice time and the allocation of dollars. They are under administrative control to be very careful not to arrest on a summary conviction unless they are absolutely pushed over the limit and it can be justified.

The operational difference between what happens on the street and the permutations that may be technically possible under the Criminal Code are quite different.

I am saying that the bill is going in the right direction because it conforms to the principle of minimal intervention and intrusion to achieve a public good. Rather than trying to change the offence from summary to an indictable offence, it looks at a specific exception to the law, which is a minimal change. It is the minimum possible to achieve the objective. It provides an exception to the summary procedure in a special case where the police officer decides for the general social good that it needs to be done. Currently, because of administrative procedures those are simply avoided and discounted by saying we really cannot intervene. Why should we do this?

The administration of justice has been brought into disrepute by the current operation in the streets. Probation orders are often seen to be not worth the paper they were written on. Orders are given and they must be obeyed. They will be obeyed increasingly if there are regular consequences that flow. We are talking about general deterrence and the community reputation that develops around the operation of these court orders, especially conditions of probation such as not to enter premises where alcohol is sold or not to be out after a certain hour, not to frequent a particular bus exchange where it seems that criminals have a tendency to meet, geographic prohibitions or prohibitions to stay at least one block away from a girlfriend's residence because of a history of assault or threats. The community expectation is that these orders will be obeyed and can reasonably be administered without unnecessary administrative barriers. We see in the newspaper that the offender received a sentence and was placed on certain conditions, and the public can feel good about it. However, when we investigate it, we find the administration of the order actually breaks down.

• (1345)

The probation order must have some real meaning. The public delegates to the authority and then has an expectation that the order will be administered properly. The orderly operation and administration of court orders are very important. I think the public reputation is that court orders are not that well administered.

We have to overcome the community notion that the order is not worth the paper it is written on. There are administrative barriers that could be put aside by this measure. The bill is minor in size but I am saying it is very meaningful in its practical form.

The member for Lanark—Carleton outlined in some technical sense how this bill went beyond the current bill before Parliament. I am recommending it is an additional permutation that would be very helpful for the administration of criminal justice in the community.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I will take a few minutes to express some of my feelings and concerns about the area addressed by the bill.

For what purpose do courts issue prohibition orders? They feel under the circumstances it is the adequate action that should be taken to protect society. Probation is a comforting term, an order of probation. It is not unlike mandatory supervision term we hear.

Is it comforting that someone will be released before his or her time on mandatory supervision? The state is to conduct supervision over the person to ensure the safety of the public. We have seen how absolutely useless that type of condition is in protecting the Melanie Carpenters and the Sylvain Leducs from the kind of action the court has surmised will never take place.

I support the bill. If the court issues a probation what is it asking? It is asking the accused person to obey certain requirements: to stay away from bars, perhaps to stay away from the classroom or perhaps to stay away from a spouse who has been subjected to abuse, physical or otherwise. Does the court expect the person will simply obey those orders? What happens if he or she fails to obey? Probation officers do not have the manpower to deal with circumstances late at night. We also know police officers are usually there. At least they are on duty 24 hours a day. The public has access to them in case a probation order is violated.

If a wife realizes her husband is to stay away from liquor under probation and he is at a bar at two o'clock in the morning and she is sitting at home in fear of his attendance, what protection does she have? Should she phone the probation officer? Nonsense. That is impossible. She could phone the police under the circumstances. The police do not have any authority whatsoever to intervene to protect her from her husband even though he is in violation of a probation order set as a result of his violation of her.

I listened to the hon. member across the way speak about the laws being in place now to prevent that. If that were the case we would not be receiving feedback from police officers about the violations of individuals they have brought before the courts and the courts have placed on probation. They have seen the violation of those probation orders and can do nothing about it except to report the situation to the probation officer on Monday morning and if the probation officer has time he will follow it up perhaps two or three weeks later.

This is a common sense response to the cries of the police to give them reasonable tools to prevent crime and criminal acts from occurring. I suggest violation of probation is a criminal act. I do not think anyone will deny that. Why not place within the hands of our peace officers the power to do something about it? Therefore I support the bill.

Mr. Thompson: Mr. Speaker, I rise on a point of order. At the time of preparation of the bill I discussed it with a number of people, particularly those of legal mind, who felt it was an important bill to pursue. They also felt that it completely qualified under the 12 or 15 points that clarify whether a piece of legislation is votable or non–votable. It certainly met the criteria in all their eyes. I have also talked to a number of police authorities about it and they said it was the kind of thing they could use to help prevent crime.

I do not believe it is in contradiction to or identical to Bill C–41. I have been advised that is not necessarily the case. Therefore, with the idea that all of us are here to do whatever we can to prevent crime, it would be a small step in the right direction if we all supported it as a votable item. If there is unanimous consent I would move that Bill C–343, for the sake of the safety of Canadians, become a votable item.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion by the hon. member for Wild Rose. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): There being no unanimous consent, there being no further members rising for debate and the motion not being designated 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.

It being 1.52 p.m., the House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24.

(The House adjourned at 1.52 p.m.)

HOUSE OF COMMONS

Monday, November 6, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

RAILWAY COMPANIES

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

That, in the opinion of this House, the government should oblige all railway companies that receive National Transportation Agency authorisation to abandon branch lines or sections under the National Transportation Act, 1987, to offer such branch lines or sections for public sale before abandoning them.

He said: Mr. Speaker, first of all I would like to thank my colleague in the New Democratic Party, the hon. member for Winnipeg Transcona, for letting me take his place this morning and for taking my turn last Monday. As you know, last Monday, this House, at the behest of the Leader of the Government, went so far as to sit on the day a referendum important to the future of Quebec and Canada was held in Quebec. Another demonstration of love and affection from our colleagues in the Liberal Party.

I just want to say that in Quebec, we have a useful motto: *Je me souviens*. I can tell you Quebecers felt this decision was highly improper, as was the demonstration of love and affection in Montreal by 60,000 people on the Friday preceding the referendum and financed by Canadian Airlines, Air Canada and VIA Rail.

I repeat, we have a useful motto in Quebec: *Je me souviens*. I can tell you that as the transport critic, as soon as I get a chance I will certainly return the favour to these three companies.

Motion M–494 reads as follows:

That, in the opinion of this House, the government should oblige all railway companies that receive National Transportation Agency authorisation to abandon branch lines or sections under the National Transportation Act, 1987, to offer such branch lines or sections for public sale before abandoning them.

Perhaps I may explain that the purpose of this motion is, in a way, to apply retroactively a provision that appears in Bill C–101. I imagine this will not be news to anyone who is familiar with the railway sector and especially with the decisions of the National Transportation Agency. As you know, when a company, either CN or CP, used to go before the National Transportation Agency, permission to abandon lines was practically automatic.

Bill C–101 now before the Standing Committee on Transport provides that before a line is abandoned, it will first be offered for public sale. I should explain that if Bill C–101 is adopted in its present form, railway companies will have to submit a three–year plan, starting in 1996. The fact remains, however, that some branch lines are already in the process of being abandoned, although interested groups or provincial governments may have shown an interest in continuing operations.

The purpose of this measure is therefore to deal with part of what has happened recently. However, if Bill C–101 is adopted as tabled, which means offering for sale prior to proceeding with abandonment, our party will not object to the substance of the bill. However, we will try to obtain extensions of the time limits because some are really too short to allow for a proper evaluation of the operations offered for sale. But we will have a chance to discuss that later on.

As I was saying, the purpose of this motion is to save segments of railway lines for which a decision of abandonment has been issued by the National Transportation Agency. Bill C–101 provides that the railway companies must offer for sale the segments they wish to abandon. Even considering all the deficiencies of the abandonment procedure in Bill C–101, this measure should make it easier for these segments to be taken over by short line railway operations, because it would oblige railway companies to sell segments that are to be abandoned.

There are segments in Quebec that would probably be viable as short line railways: the decision of abandonment has already been issued, but the tracks are still intact. Today we have no guarantee that railway companies will first try to sell to short line railways, in order to maintain segments. In fact, we could hardly expect railway companies to sell to short line railways if it is more attractive to sell a segment for uses other than railway transportation. It is common knowledge that railway companies in Canada own large amounts of real estate. They may prefer to

speculate in real estate as opposed to continuing a railway operation. That is the point I wanted to make.

Public interest is not a consideration in commercial decisions by railway companies. That is unfortunate because, as you know, in some cases these companies obtained the land around a right of way when this country was first settled. Furthermore, Canada expanded from east to west thanks to the railways. Western Canada was developed thanks to the railways. These companies were given crown land for their railway rights of way and now are acting more like speculators.

• (1110)

In Quebec there are at least three major branch lines in this situation: Chapais, Lachute and Québec Central, totalling some 550 kilometres. Negotiations are currently under way concerning some of these lines.

The effect of our motion would be to ensure that railway companies negotiate in good faith with those interested in creating SLRs to run these branch lines. You will note that my trust in the national railways is rather limited. Had we had been able to have faith in them, this motion would have been totally unnecessary; the necessity for it arises out of our less than total confidence in them.

The Government of Quebec has already done its part with respect to the Lachute branch line by forbidding any change in its land use. If CP lets the situation get any worse, however, the tracks that are in place will deteriorate and no longer be useable.

It is therefore important for the CP to put this branch line up for sale promptly. It is also interesting to see, since Quebec does not of course possess the fullness of its powers that would have come with sovereignty, the concrete action taken by Minister of Municipal Affairs and Regional Development Guy Chevrette in announcing this past October 16 that the rail corridor linking Mirabel and Thurso would be declared a special intervention zone. Publication on October 11 in the Quebec official gazette of a draft decree to that effect had the immediate result of reserving the land covered by the decree for railway purposes and of forbidding any operations contrary to that use.

I would like to take this opportunity to praise Mr. Chevrette, the minister responsible for regional development, for he—unlike certain of our friends across the way, the Minister of Transport for Canada in particular—is well placed to appreciate the importance of a rail line, an airport or a seaport as a tool of regional development. I mentioned before in this House and it bears repeating that several businesses are interested in locating in outlying areas of Quebec or elsewhere and insist as a prerequisite—it is sometimes their principle condition—on there being a deep water port, an adequate highway and superhighway system, and a rail line if the material to be shipped is very heavy and cannot be trucked. Merely looking at the state of our highways and superhighways is enough to again convince us how lax the federal government is, compared to the U.S., when it comes to truck load limits.

As an illustration of the railway's worth as a tool of economic development, let me give the example of a cement plant project at Port Daniel in the Gaspe, in the riding where my spouse was born. This is a village of some 3,500 people, with a very high rate of unemployment—we are all aware of the state of the fishing industry in Gaspe—and the developers interested in the cement plant have set two conditions. First, there must be a deep water seaport, which the Port Daniel bay provides, and second the cement dust, or powder, or whatever it is called, must be shippable by boat or by railcar, thus making the presence of a rail line a condition for the deal. CN is considering abandoning the Gaspe rail line. Obviously, if there is no rail line, the 450 jobs that would be created by the cement plant will never see the light of day, because of the two conditions set by the developers.

• (1115)

I am pleased to inform the member for Bonaventure—Îles-de-la-Madeleine, who once again reveals that he is totally disconnected from his riding. He should, perhaps, go there a bit more often and be a bit more active. He should be aware that this was another of the requirements set by the promoters.

What is a special intervention zone, such as the one the Government of Quebec established for the Mirabel—Thurso railway corridor? Quebec's act respecting land use planning and development permits it to establish special intervention zones in order to resolve land development problems whose urgency or seriousness justifies such an intervention.

This is the first time, since the law came into effect in 1980, that a minister has used such power to declare a special intervention zone by order. This decision stresses the importance the government accords to maintaining the rail link between Thurso and Mirabel to protect the economic development of the region.

I would also like to stress how important and how timely this matter is. We could perhaps come up with a short list to justify just how relevant and current our motion is. We could quickly make a list of abandoned lines. We could name some in each province.

In Ontario, for example, the CN Chatham line is scheduled to be abandoned on July 14, 1996. There is also the Newmarket line. In Quebec, there is the CN Chapais line, from Franquet to Chapais, 97.34 miles long; the CN Taschereau line, from La Sarre to Cochrane, 82.42 miles; the CN Montmagny line, from Harlaka to Saint-Romuald; the CN Chandler line, from Sainte-Adélaïde to Gaspé—you can see with what I was saying about the cement plant project earlier, how relevant this motion

becomes—; the CN Sorel line, from Sorel to Tracy; and the list goes on.

In British Columbia, there is the CP Slocan line; in Manitoba, the CN line at Erwood; there are other lines in Ontario; the CN line from Foothills to Spur Turo; the CN Graham line; the CN Manitouwadge line; the CN Midland line, and the list goes on. All of this adds up to a total number—and I will try to find my figures here—of abandoned lines for the year representing, by region, 48 per cent in Ontario, 19 per cent in Quebec, 23 per cent in the Maritimes and 10 per cent in the Prairies.

This motion clearly illustrates the urgency of ensuring the availability of lines already approved for abandon, until new provisions in Bill C–101 apply, if they are passed as a whole, and thus of ensuring that the recent past is covered, rather than have the companies ruthlessly abandoning lines with the support of the National Transportation Agency, because, I repeat, it was almost automatic. I had an opportunity to experience the trauma of arguing before the National Transportation Agency, when I argued in favour of the CP Lachute line, and we saw which way the Agency invariably leans. It is unfortunate, but, I think the number of decisions the Agency has made in favour of the railways clearly illustrates what I am saying.

In conclusion, what we are seeking with this motion, is to force the government to implement the provisions of Bill C–101 immediately in order to preserve railway branch lines that are important for Quebec, until Quebec achieves political sovereignty, of course, which we expect to be very soon. Then, it will be able to exercise its powers to the fullest and will not have to go and beg before the National Transportation Agency of Canada for decisions to be made. As Jean Lesage said in 1960, we will be "Maîtres chez nous", and that is what Quebecers want.

• (1120)

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I welcome the opportunity to speak to the motion put forward by the hon. member for Beauport—Montmorency—Orléans.

His concerns reflect an appreciation for the approach advocated by the government toward rail line rationalization. The wording of his motion implies support for the line rationalization process set out in Bill C–101, the National Transportation Act.

The government has noted the widespread concerns expressed by several interested parties regarding the existing rail line rationalization process. Deficiencies have been recognized and we believe a remedy has been proposed through Bill C–101.

On October 2, 1995, Bill C–101 was referred to the Standing Committee on Transport. Committee hearings are currently under way.

Canada's rail network is overbuilt. Eighty–four per cent of CN and CP traffic is moved over one–third of the network. Traffic density is only 60 per cent of the average of the top seven major railroads in the United States. It has been estimated that some 50 per cent of current CN and CP tracks are surplus to their needs. However, many of these lines could be successfully operated by short lines or regional railways.

Rationalization is under way but it is occurring slowing due to the complicated abandonment process contained in the National Transportation Act, 1987. There is widespread recognition that future rail financial viability will depend greatly on the railway's ability to accelerate plant rationalization and restructuring its networks.

Bill C–101, the National Transportation Act, is intended to streamline and modernize transportation regulations. In particular it will lift the regulatory burden on rail to increase its competitiveness in an increasingly continental market.

The bill contains provisions to streamline and shorten the current process for rail rationalization, making it commercially oriented, less adversarial and more conducive to the sale or lease of surplus rail lines to new operators. In conjunction with those provisions, the process for entry of smaller low cost rail carriers to operate in co–operation with CN and CP has been eased.

As demonstrated by the U.S. experience following deregulation of its railway industry in 1980 with the passage of the Staggers Act, railway rationalization need not result in the abandonment of track. In the United States since 1980, although 34 per cent of the total rail route miles were trimmed from the rail line railroad networks, less than half that track was abandoned. Almost 30,000 miles of track were sold to successful short line railways and saved from abandonment.

Today there are over 500 short line railway companies in the United States, of which 263 were created since 1980. In Canada only 10 new independent short lines were created since 1988.

Let me emphasize that the line rationalization process set out in Bill C–101 is not as radical as that in the United States. However one of its main features is that it will provide opportunities for any interested party to acquire lines surplus to the needs of CN or CP for continued use as rail lines.

In the event that there is a lack of interest in purchasing a particular line for rail purposes or a sale agreement is not reached, each level of government will have an opportunity to decide whether or not to acquire a line at net salvage value for public purposes.

Only after a railway company has gone through the process I have described and it has been unsuccessful in transferring the line to a new owner, whether it be a private company or a government, will it be able to abandon operations over the line and dispose of the land corridor and track assets. This will be a major improvement over the current process.

The current process has caused some parties significant concern. For example, some provincial governments have expressed their wish to preserve an economic rail line, even though they have not had any traffic on them for many years, in the event that some day there may be a need for them. However, it has been normal practice when lines are put forward for abandonment that the provinces do not take positive action to find a new operator or acquire the lines themselves.

• (1125)

Under the National Transportation Act, if a rail line is not purchased by new operators for continued rail purposes the onus is placed on governments at all levels to come forward and express their interest in the rail corridors by financing the cost of their acquisition at net salvage value.

Even if the government possessed the powers to comply with the action requested in the member's motion there would be no beneficial outcomes. Currently only five rail lines have been ordered abandoned by the agency. Three of them are scheduled for abandonment in 1995 and the remainder in 1996. Negotiations are under way for the purchase of one of the lines to be abandoned in 1996 and no interest has been expressed by anyone in the purchase of the others.

There is really nothing more to add except that on the strength of the motion I look forward to the hon. member's support of Bill C–101, the National Transportation Act. We should not delay the bill, as the hon. member has suggested, but should get on with, hopefully in the next two to three weeks, getting it through the House so that the process is improved and interested parties, be they short lines, governments or other interests, can take advantage of the opportunities presented by the new rationalization policy of the government.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, as I prepared to speak on the motion it seemed the hon. member from the Bloc must not have realized what was in Bill C–101, because it is exactly what he is asking for.

However I listened to the content and the direction of his speech and obviously he was aware of it. It seems as though he went around in a circle and fell out the middle. I am not really sure what his purpose was unless it was simply to take another 20–minute opportunity to bash Canada and promote Quebec's separation.

The member is looking for a particular provision that is contained in Bill C–101, specifically in clauses 143 and 145. On the one hand he says this is an urgent matter and that he wants to get it done very quickly. At one point he used the word retroactively. There are a couple of things with the Bloc Quebecois that I would like to do retroactively.

There is a bit of a paradox here. While the hon. member stood to say this was an urgent matter that needed to be taken care of quickly, Bill C–101 is scheduled to go for clause by clause consideration and to come back to the House for final passage the week following next week's break. He also said that Bill C–101 needed to be extended, that there has not been enough time and that he wants to stretch it out.

I do not know why he needs more time. We have heard dozens and dozens of witnesses, intervenors in committee. The hon. member, as the transport critic for the official opposition, is a member of the committee. Perhaps he needs more time because he has not been at many of the committee meetings. He showed up once or twice.

I am the national transport critic for the national opposition party and I have been at those meetings. Any time I have not been able to attend my colleagues have been there in my support and in support of people across Canada. People can approach the government and make application to the government. They can also approach a creditable, viable opposition party when they do not happen to agree with what the government is doing or they want to ensure there is more pressure and support.

The hon. member has shown up at committee meetings on occasion. I cite one of those occasions to show how his interest has nothing to do with national transportation or with the act. It only has to do with his own sovereignty, separatist agenda. Last week one or two witnesses had already spoken and then we heard from a group of representatives of the Federation of Canadian Municipalities representing municipalities across the country, including in Quebec.

• (1130)

Toward the end of the intervenors' presentation the hon. member joined the committee for a brief period of time. As questions to the delegation opened he immediately tore into them, in a very vicious and embarrassing manner, because the brief was not presented in French as well as in English. Had he been there at the beginning he would have heard the explanation and apology for the fact that it was not available in French, that it would be available the following day, that the delegates had only completed the brief that morning, that they would have normally done this, that they always do but on this occasion they did not have the time to do it. It was quite an embarrassing outburst from someone who claims to be a member of the national official opposition. It may be official by name, but it is certainly not national.

The hon. member stayed for the next presentation, which happened to be by a delegation from the province of Quebec, and then left before any further presentations were made.

I do not know what his real bottom line is. If his real bottom line is to have the amendments made that have been outlined in his motion, they are contained in Bill C–101. He can come to the committee and aid us in completing that bill. I am sure amendments will be offered. I shudder to think what will come from his party, but I am sure amendments will be proposed. I can guarantee that there will be amendments proposed by the Reform Party. Amendments have been proposed by the Liberal Party. The bill is there to be examined. The committee will hear presentations and will react to the needs of the Canadian people.

If the hon. member comes to the committee for the purpose of aiding it and seeing the bill completed, then he will get the very things he asked for this morning. However, if he comes to the committee to delay and extend the proceedings, after having not been to any of them, then he is fighting not against Bill C–101, not against the Liberal government, but against his own motion. That will be a very interesting aspect for him to take up.

I close by pointing out one item for clarification. From time to time, prior to and since the referendum, the Reform Party has raised the question of who rightly should be the official opposition in the House. By past precedent it falls to the Bloc Quebecois because it has a superior number of one. Some people, both those sitting opposite and some misinformed people in the media, have claimed that the Reform Party has done this by way of opportunism. It was not opportunism; it was our duty to the Canadian people and our obligation as members of the House to represent all of Canada on all bills, including national transportation bills, rather than the narrow views of one separatist group within one province.

If the hon. member co–operates he will get his wish.

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, it is a pleasure to have the opportunity to speak to Motion No. 494 this morning. The motion is somewhat redundant, but at the same time it is important to speak to an issue that is fundamentally important to all Canadians; that is, the national transportation system and in particular what takes place when rail rationalization occurs in a country that continues to change, as it normally would in a federation. The needs of the public and the regions of the country are changing as well, so it is important to understand that transportation needs change.

Under Bill C–101 there are a number of clauses that deal with rail abandonment. In particular, the bill deals with the ability to transfer rail. This is a unique change in direction by the Government of Canada. It is a welcome change.

For those of us who have followed the transportation system and the abandonment of lines, under the NTA of 1987 the process that had to be followed for certain lines to be abandoned was that they first had to go to the NTA to prove that the particular line did not have commercial viability. Imagine how easy that would be to do if first of all the line was demarketed, which is what was done to start with.

• (1135)

Most railway companies would not admit this, but when I had the opportunity to chair a special committee that went across the country to look at CN privatization we ran into some documentation that proved that in certain cases high ranking officials in CN sent out memos to their regional management, dictating and explaining to them how to demarket a particular branch line so they could go to the NTA and have them signify that it was not commercially viable and allow them to abandon it.

Bill C–101 and the motion presented by the member this morning suggest a different way of doing business. That is, to acknowledge that transportation companies are no different from any other business in Canada and that they cannot be forced to deal with what governments are dealing with every day, and that is the public interest, when in fact transportation companies are more interested in the bottom line. If we force them to try to maintain a particular line without compensating them in a manner that would help the company to be successful, they will go about it in one fashion or another to make sure those lines do get abandoned.

Public policy and public interest are a very important portion of this bill. The critics who look at it are continuing to say that the government is getting out of the public interest business in transportation, but we are putting it where it belongs. Public interest is being taken out of the hands of every day companies in the transportation sector and put back in the hands of the politicians, to make decisions whether they want to subsidize certain lines in this country and whether for regional purposes they want to maintain certain branch lines. Those particular public interest initiatives and policies will have to be put back in the hands of cabinet and parliamentarians if we are going to have a private sector transportation system that works.

In the member's presentation to the House this morning he talked about time frames. It is important to talk about time frames because there is a perception left by the member that the government is not serious about short line railways becoming a new phenomenon in Canada, that it is just lip service and more than likely most of these lines will be abandoned because of the time frame.

I totally disagree with the member, as is unfortunately usually the case. The time frame for sale of a line starts with the unique process in the bill of forcing the railways, through clause 141, to put forward a three–year plan that is available to anyone, including ourselves as members of Parliament. Can you believe that? They are going to let us see something for a change. In that three–year plan they will signify whether they want to continue a particular line or whether they are interested in selling it or if they cannot sell it whether they will eventually abandon it.

That three–year plan, which the governments have asked the railways to table on a regular basis and to revamp whenever necessary, will give members of Parliament and the public an opportunity to review just what lines are not in the best interest of a private corporation's business plan.

The next process is the intent of any individual municipality, any regional government, whoever is interested in owning a particular line that the other railways do not want to own. They will have 60 days to signify interest in that particular line. Within 60 days all they have to do is write a letter to CP or CN or any other corporation that owns a railway and say they would like to look at purchasing that particular piece of track. Then the 60 days will be allowed to elapse. When that elapses, they have five months after the 60 days to sit down and negotiate the sale of that line to that individual, that municipality, that provincial government.

• (1140)

As can be seen, 60 days is two months and after that is the five–month negotiation process, which gives seven months minimum. Of course if the negotiation is a serious one and both parties are moving along in their negotiations, I am quite sure the railways would be interested in an extension, because it is not in a railways' interest to abandon a line if they do not have to. If they can get an agreement with an individual to run a line to bring a particular shipment of goods from a particular corporation at the end of the line, which is the reason the railway is there and get it down to the other end, certainly they would do so.

I want to emphasize this. In clauses 141 and then 143 to 145 it lays out very specifically how these rail lines would be transferred from one corporation to the next. In the final analysis, if nobody is interested, be it the Quebec government, a municipality in Quebec, or a private sector individual, why would anyone want to force a corporation like CP or CN to run a line that absolutely nobody else would like to run? Quite frankly, I think it would have a right to abandon that line.

I want to emphasize that the real issue is not whether a piece of track is torn up, it is what is done with the right of way. That is the real issue in the long term. One of the problems the U.S. is having with the Staggers Act and the changes in policy it made for line abandonment is that when it abandons a line it does not look after the right of way but sells it to the private sector. Depending on where the land is, it is chopped up for residential lots and things like that. That land cannot be re–acquired 20 years from now without expropriation.

One of the main issues that is going to face us as we rationalize our railway system is what to do with that right of way when we tear the track up and pull it out there. That is all salvage value, which is fine, but if we keep that particular right of way we can always put the track back at some future date. Most people do not see the significance of that right of way.

In southern Ontario, for example, that is a major issue because most of that land is privately owned outside of that right of way. Once the private sector gets hold of it we are never going to get it back. Governments, in particular provincial and municipal, have a very important role to play on that issue. It is not a federal government jurisdiction. It is a provincial jurisdiction. That is where the member should be focusing his attention. That is the mistake that was made in the Staggers Act. Some companies in the U.S. wish they had not sold the right of way but kept it for future use and land banked it.

Powers in this place rest in a number of ways and in a number of fashions. The Minister of Transport in this bill still has the power to subsidize branch lines. He still has the power to subsidize certain rail lines. I will use just one rail line as an example, which is close to my home.

There is a line that runs all the way up to Churchill. It is a very important line to northern Manitoba for regional development. The line could be abandoned tomorrow if it were dealt with in dollars and cents, because it does not make a profit. However, the line is important in the long term to the viability of northern Manitoba. I would suggest that if the people of northern Manitoba, the municipalities that exist there and the shippers on that line were really interested in regional development and if the federal government would enter into a co–operative arrangement with them, someone else who is interested in it could run that line. Maybe they can make it closer to being profitable than it is now. At the same time, it is very transparent that we are subsidizing a line that does not make money because of regional development needs.

The public interest should lie in a transparent fashion. Whether we want to subsidize a losing operation is a different story. However, forcing railways to carry losing lines is not the way to go about the business of running a corporation, whether it be private or public. I differ with many people on that argument.

I hope the member who brought this motion forward, as has been mentioned by the Reform Party, spends less time trying to break up Canada and more time in the committee. He will realize there are some very good parts to this bill. At the same time if he supports it he will find there are some good entrepreneurs in Quebec who would love to run a railway and who could run it a lot better than CN or CP ever did.

• (1145)

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, I listened carefully to my hon. colleague from Kootenay West—Revelstoke when he expressed his views on the official opposition. He believes it would be much more interesting if the Reform Party formed the official opposition in this debate about railways. I can assure that I, for one, will stick to the matter under consideration.

The matter at issue is that the National Transport Agency has authorized CP and CN to abandon a number of sections on some important rail lines, in particular the Lachute, Chapais and central Quebec lines.

These abandonments will certainly have a major, serious impact on regional development. For example, I will only talk about the Lachute line because my colleague from Argenteuil and myself tabled a brief asking that this line not be abandoned. The matter at issue is the abandonment of part of this line—that is, the central part and not the start or the end. Talk about a rational decision: they leave the start and end of the line but remove the middle.

To show you just how lightly the agency gave this authorization, I will mention the fact that, in concluding that the line was not profitable, the commissioners simply relied on the argument that the railway had not made enough money over the past three years, when everyone knows that we were in a recession and that these three years therefore did not reflect the railway's real earning potential.

During these hearings, it was conclusively proven that CP had made no effort to develop or even keep its clients. On the contrary, it seemed to try to drive them away.

It got to the point that the Quebec Ministry of Transportation, using its urbanization powers, had to issue an order to at least prevent the dismantling of the Lachute line. The ministry cannot oppose the end of operations, but it can prevent the line from being dismantled.

This brings me to the topic of Bill C–101, on which we will vote very soon and to which my colleague from Beauport—Montmorency—Orléans and myself will propose amendments.

True, Bill C–101 will require CP and CN to sell the branch lines they abandon. However, it is clear that the government has a new rail policy in that, first, there will no longer be any public hearings and, second, the National Transportation Agency, whose name and role will change, will no longer have any authorization to give.

In other words, the government has just about set aside the notion of public service in favour of a strictly for–profit mentality. I think that this is another example of the government's general tendency to disregard the public interest and think like an accountant rather than an entrepreneur. One would have expected a responsible government to encourage railway companies to contribute to regional development, thus spurring their own development and bringing in tax revenues for the government, instead of helping them sell off the branch lines they are not interested in.

• (1150)

In conclusion, as my colleague pointed out, I think that only Quebec sovereignty will result in making the public interest a priority in government decisions.

[*English*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the hon. member for Beauport—Montmorency—Orléans wants the government to require the railway companies to put lines that have been ordered abandoned up for sale.

I contend the lines have already been advertised as available for sale. The fact they have been subjected to the long abandonment process which is now in place should be seen as a clear indication the railways do not want them.

Currently there are only five line segments that fall into the category defined by the member's motion. The CP Cornwall subdivision from Soulanges, Quebec to Cornwall, Ontario was approved by the National Transportation Agency for abandonment on December 27 of this year.

The CP Chalk River subdivision from Smiths Falls to Pembroke is scheduled for abandonment on November 19 next, as are the CP Chalk River and North Bay subdivisions from Petawawa to Mattawa, Ontario. A segment of the CN Chatham subdivision between Bloomfield and Tucumseh, Ontario is to be abandoned on July 14, 1996. Finally, the agency has ordered CN to abandon the segment of the Newmarket subdivision between Barry and Longford, Ontario on September 21 next year.

It should be noted that VIA has already expressed interest in acquiring the Chatham subdivision from CN, and the Ontario government has held and is holding discussions with CN regarding the Newmarket subdivision.

As is clear even from the wording of the motion, Parliament has delegated the responsibility for regulating rail line abandonments and conveyance to the National Transportation Agency in accordance with the provisions of the National Transportation Act, 1987. Briefly, the agency's powers under the act extend to the receiving and processing of abandonment applications. The criteria for reaching an abandonment decision are set out in the act. Any line abandonment application results in an abandonment order if there is no opposition to that abandonment.

However, if there is opposition expressed by anyone, the agency must publish the actual losses incurred from the operation of the line. Based on traffic and financial information provided by the railways and evidence submitted by intervenors in writing or at public hearings, it must make a determination as to whether operation of the line is economic or uneconomic.

If the agency finds the line is economic, the application is dismissed. Where the agency finds the line is uneconomic it is then required to make a further determination as to whether there is any reasonable probability that it could become economic in the foreseeable future. If not, the agency must order abandonment. If yes, the agency must order continuation of operations over the line if it is in the public interest.

For lines ordered continued in the public interest, the agency is required to reconsider the abandonment application at least once every three years. The agency is given some discretion in fixing abandonment dates to not less that 30 days or not more than one year after the date of an abandonment order. If VIA operates over the line the abandonment date is fixed at one year after the date of the order.

The governor in council has powers under the abandonment provisions to postpone the date of abandonment if certain criteria can be satisfied. This is in addition to powers accorded under section 64, whereby the governor in council can rescind or vary any agency order, decision, rule or regulation.

• (1155)

As members may have noticed neither the agency, the minister nor the governor in council has power to issue orders to the railways with respect to what properties they should put up for sale and when they should do so. It has always been possible for other governments, as my colleague from Rainy River said, to take an active role in promoting the sale of a line, or even to purchase the line itself.

No other business sector or mode of transportation is subject to such strict regulation of exit as has been imposed on the railway industry. With the enactment of the Canada Transportation Act, the government hopes to place the responsibility for rail rationalization where it belongs, with the railway companies.

The decision to withdraw from a certain segment of business is a commercial decision and does not justify government intervention. For example, if a trucking firm decides it no longer wants to serve a particular city because it is losing money, it simply stops going there. Why should a railway company not have the same freedom? If a grocery chain decides it wants to close a store at a particular location and possibly open one at a more profitable location, the government does not interfere. Why should that same government prevent a railway company from doing the same thing? This government does not exist to tell competing businesses such as transportation companies how to conduct their business.

It is clear there is no overriding reason why the government cannot comply with the member's Motion 494. The member will find that the advanced publicity regarding railway rationalization plans required under the Canada Transportation Act fulfils the general intent of his motion.

I appreciate the member's interest in this important topic. We are at a stage where we are moving from one railway regime to another. There are difficulties inevitably involved with that transition.

The decisions made are very important indeed. To that extent I greatly appreciate the member's interest. However, I argue that his concerns are well met under the existing legislation.

[*Translation*]

The Speaker: Dear colleagues, as no other hon. member wishes to speak, I recognize the hon. member for Beauport—Montmorency—Orléans on debate. There are two or three minutes remaining.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I welcome this opportunity to use the time remaining in the debate on this motion, pursuant to our Standing Orders.

I would like to correct something my hon. colleague from Kootenay West—Revelstoke, who sits with me on the Standing Committee on Transport, said in his remarks.

He indicated earlier, in summarizing the motion to some extent, that the usefulness of such a motion is unclear, since Bill C–101 will do what the hon. member is asking for. I think he should have read the motion and listened to what was being said. He would have realized that the motion in question is to ensure—not in a distant future; Bill C–101 has not yet been passed—that railways lines recently slated for abandonment will be covered by the provisions contained in Bill C–101, once passed. Again, my colleague from Kootenay misconstrued my meaning.

Also, the hon. member of the Reform Party complained again about his party not having become the official opposition yet. I would like to inform the Reformers, through you, that if the Bloc Quebecois is the official opposition, it is neither to please the Liberal Party, nor to annoy the Reform Party. British parliamentary tradition has it that the largest minority group in the House of Commons forms the official opposition. We never asked to be the official opposition. It is just the way it is and shall continue to be, since we have decided to continue sitting in this Parliament to unmask the Liberals.

• (1200)

A common thread goes through the whole federal transportation reform: the government intends to shift infrastructure costs onto municipalities, RCMs or the Quebec government, while at the same time maintaining control and keeping corresponding revenues. In fact, these so–called improved management objectives hide a sucker's deal.

The defence of Quebec's interests is no longer tied exclusively to fruitless objections or demonstration too often ignored. It is now predicated on Quebecers taking the transportation issue into their own hands to ensure their future and the future of Quebec businesses and regions whose development depends on transportation.

Only by becoming sovereign will we be able to put in place an integrated transportation policy, in which our local and public sector partners will be the first to gain from a unified transportation role within Quebec, combined with a partnership with our Canadian neighbours and NAFTA allies.

We, members of the Bloc Quebecois, the official opposition, will keep on repeating this as long as it takes in this House.

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HEALTH ACT

The House resumed from November 2 consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee; and of the amendment.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I am pleased to speak in support of Bill C–95, legislation which will establish the Department of Health.

Two weeks ago I spoke on another piece of legislation. I reminded the House and particularly our friends from Quebec of the desire of my constituents for a united and strong Canada. With the end of the referendum that desire still continues. The people of Guelph—Wellington, all crusaders for Canada will always support Canada first. We have a strong attachment to this great country. We celebrate the privilege of being Canadian and we thank the people of Quebec for saying no to separation.

Over the past several weeks Canadians have heard much of the word change. We have before us a bill which changes the name of the Department of Health. That, as was said by the hon. Minister of Health, is the simplest part of this legislation. Within the bill there is a new focus. Bill C–95 contains a new vision of the future that promises to make improvements in what is already the best national health system in the world.

The people of Guelph—Wellington want to give a clear message to Parliament. We want our health system preserved. We reject those who want to dismantle what we have built in favour of a system that judges patients on how much money they have rather than how sick they are.

We recognize the need to respond to areas of concern, but we will not compromise the protection that is given to each of us by the Canada Health Act. This act declares that the health aspects of social well–being are the responsibility of the Department of Health.

We all know that we were elected to assist the well–being of our constituents and also of every single Canadian. It is the obligation of the government in every department and of every single member of the House to ensure the well–being of the people who have entrusted us with all of their confidence. The people of Guelph—Wellington have elected me to be a member of a government that is tempered with compassion, motivated by care and strengthened through its ability to make Canada a better place to live.

Our health care system is one of the values which makes Canada the best place in the world in which to live. Whether Canadians reside in Guelph, Ontario, Drummondville, Quebec, or St. John's, Newfoundland, they know they can depend on a federal government that is determined to protect the fabric of their health care system.

• (1205)

This legislation clearly acknowledges the responsibility of the Department of Health to care for the social well–being of my constituents and the people of every single region throughout Canada. Through this legislation we are acknowledging that there is more to health than health care. Health means the complete state of physical, mental and social well–being.

The people of Guelph—Wellington are fortunate to have quality health care providers who work for the benefit of our community. Organizations like the Victorian Order of Nurses, Homewood Health Centre, St. John Ambulance Association and the Wellington–Dufferin–Guelph Health Unit work together to

provide assistance, plan health services, give information and support the people of my community.

While Guelph—Wellington welcomes change, our people do not want an end to the government's commitment to the long tradition of ensuring health protection for every single Canadian. Ten years ago the Canada Health Act was debated and passed without any member voting against it in this House. Those were the days when the opposition parties joined the government in support of every Canadian regardless of their income.

The Canada Health Act contains five principles: public administration, comprehensiveness, universality, portability, and accessibility. This act was the result of the efforts of strong ministers of health including Hon. Allan MacEachen; the father of the current Minister of Finance, Hon. Paul Martin Sr.; Hon. Marc Lalonde; and Hon. Monique Bégin. They were supported by Canadians in their quest for a health care system that offers care and protection. They were supported by opposition members who defended the rights of all Canadians, Canadians who deserve members of Parliament who wish to preserve our health care system rather than to destroy it.

I mentioned organizations that work in my community to preserve quality health care. These are joined by hundreds of individuals working alone or through various agencies in building a growing awareness of the importance of nutrition, stress management, physical fitness, safety in the workplace, and the environment.

We are fortunate in Guelph—Wellington because in addition to quality care institutions like the Guelph General Hospital and St. Joseph's Hospital and Home, there are people who care. These people deal not only with cures but with prevention. They realize that health prevention is the real health care revolution in this country.

My own family has been blessed with family doctors like Allan Simpson who was there when my children were born and has cared for them ever since. Anne Simpson, his wife, has also been a nurse and caregiver in our community. Without people such as them our health care system would not be the best in the world.

Our government is determined to save, sustain and improve Canada's health care system. We will continue to fight against those who fail to recognize that health care weaves the fabric of our very nation.

As part of the promises that we have kept since our election, the Prime Minister has initiated the National Forum on Health and has taken a real leadership role in finding solutions to the difficult questions facing all of us. The Prime Minister and Minister of Health are to be congratulated for this effort.

The National Forum on Health is asking: Are we getting the best results from our expenditures? Should we be spending more in some areas and less in other areas? Are we taking full advantage of new opportunities in the health field? How can we learn from experiences within Canada and from other countries?

These are important questions which deserve our time and our consideration. Canadians must dialogue about what our health system should look like over the longer term. We must develop a vision of the future. When I discussed priorities for federal spending with my constituents prior to the last federal budget, they told me that health care must remain a priority in Canada. In fact most of the people in Guelph—Wellington who responded to a questionnaire that I sent out clearly stated that health care should not be cut in any way. They are concerned about abuses. They are anxious to find solutions to what is wrong with our health care system but they absolutely reject the Reform Party's vision for health care in our community.

• (1210)

As in everything else we do, we want to work on a solution that will make our country better. We cannot accept the doom and gloom that is so often embraced by the third party in this House. We know there are challenges to making these improvements, but the people of Guelph—Wellington welcome these challenges because we want to make our health care system work for our children and our grandchildren.

I am pleased that one of the tasks of the national forum is to document case histories of health care approaches that have succeeded in improving the health of the population. I look forward to the policy recommendations that will be made in this area. The forum has taken the Guelph—Wellington approach to problems: build on successes, learn from mistakes and identify priorities.

Health is more than health care. There are many aspects of life and lifestyle that go toward making people healthy. As a government we must continue to rebuild our society to make it healthier. How can we do this? We can provide employment to those unemployed, give hope to Canadians who feel a sense of abandonment. We can provide a strong social support network for our Canadian family. We can build a better education system, find more agreeable working conditions for our workers, free the environment from pollutants and rid ourselves from unsafe products that contribute to an unhealthy environment. Health care means all facets of our society.

Each Canadian is also responsible for his or her own well–being. Personal health practices which include a positive outlook help reduce the risk of heart disease, diabetes and cancer. I have encouraged my constituents to work with the many organizations in Guelph and Wellington county that promote, educate, assist and support my constituents who suffer from epilepsy, cancer, the effects of a stroke, and cystic fibrosis to name but a

few. In Guelph—Wellington we believe that by supporting each other we can build a better community and a better Canada.

The government continues to look at positive ways to improve the health care of our country. I wish to take a few seconds to speak about the prenatal nutrition program which was promised in the red book and implemented by Health Canada in July 1994.

We know that prenatal and childhood health experiences will affect us throughout our lives. Low weight at birth is a problem for the growing child and in some cases contributes to ill health in adults and sometimes premature death. There is also increasing evidence that the way children are cared for at an early age influences their coping skills and health for the rest of their lives. We also know that it is possible to reverse some of the ill effects and positively influence later health and well–being by intervening with supplementary and enrichment programs at critical stages in the development of children and youth.

The prenatal nutrition program is providing $66.4 million over four years to set up or expand prenatal nutrition programs for low income expectant mothers. This is an example of a positive contribution of government for the well–being of our future. As a mother of three, I know how precious children are. I worked with many children through my efforts at the Wellington County Board of Education. Preventive health, positive lifestyle promotion and health education are going to contribute to bettering the health of our children and saving valuable health care dollars in the future.

Our health care system is probably regarded as one of the finest in the world and this is no exaggeration. At a time when Canadians are reflecting on what makes us so great, we need only to look at our health care system as an example of a country that truly works.

True, there are ways that we can improve our health care system. It is not perfect, but it works and it works well. It ensures that the poorest of our citizens receive help when they are most in need. It ensures that our seniors need not sell their homes in the event of a lengthy illness. More important, it ensures that the people of Guelph—Wellington and those in all parts of Canada can concentrate on getting better when they are sick, free from the worry of who will pay for their health care. That is the kind of protection needed and wanted by a vast majority of Canadians.

• (1215)

Many Canadians deserve credit for our health care system. Those who in the past had a vision of caring led the way. Volunteers throughout communities such as Guelph—Wellington ensure that people are cared for and educated about prevention programs. Health care professionals have the responsibility for providing care which has become extremely complex and extremely demanding.

Advancements in health care have meant an explosion of medical knowledge and information involving all kinds of advances in equipment and procedures. The front line workers are there first to care for the sick and their families. They feed us, give us medicine and often are there to care for us when we die.

I am pleased to have the opportunity to pay tribute to the dedicated physicians, surgeons, nurses, attendants, paramedics, researchers and administrators who, along with many associates, have built for Canadians a health care system which is the envy of the world.

I saw them care for my mother and I see them in their dedicated work when I visit hospitals and nursing homes throughout Guelph—Wellington. This past week they cared for my father–in–law who was struck down with a heart attack. They are wonderful people and we are lucky to have them.

We have a good health care system. We are facing new realities and we are confronted by old problems but I am confident that the foundations are sound. I know the people of Guelph—Wellington support legislation which promotes the well–being of every Canadian. I know they do not want a society in which the poor, the elderly and those less fortunate cannot get quality health care.

We in Guelph—Wellington are proud of Canada. We are proud of our health care system. There are those in the House who may wish to erode the principles of medicare, but in Guelph—Wellington we refuse to put a price on our health care system. To do so is to ignore our past and to let down our future. We accept the challenges ahead. We want to build on the principles of the Canada Health Act.

Later this month I will meet with members of the Wellington County Medical Society. I meet with concerned constituents every week who have asked me to protect their health care system. I will tell the members of the society we stand with them and we will not abandon health care in Canada. This is why this legislation needs our support.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the hon. member for Wellington told us about the goodwill gestures made by her constituents towards Quebec. I hope that she and her constituents are sincere. However, the fact is that, according to a recent poll, only 30 per cent of Canadians outside Quebec agree that constitutional changes should be made, while two thirds of Quebecers are in favour of such changes. Today's reality is very different from the show of love witnessed before the referendum.

My question relates to the hon. member's comments to the effect that we must preserve Canada's health care system. How will we preserve that system, given that the federal government has been cutting for years in the transfers to the provinces, and that these cuts will likely be even greater following the next federal budget? How does the hon. member reconcile the preservation of Canada's health care system with the drastic cuts being made by the federal government?

• (1220)

[*English*]

Mrs. Chamberlain: Mr. Speaker, I will address the first comment by my colleague. When I spoke we did make eye contact. He asked if I was sincere about Quebec's staying in Canada. I have never been more sincere about anything in my life.

There are many Guelph—Wellington residents who want Quebec to stay in Canada. They joined in the rally. They signed a petition last year stating that fact. They care. They know that united we stand and divided we do fall. We truly do want Quebec as a part of Canada. We will work with Quebec and all provinces to make everything we do stronger and better.

This brings me to the health care issue we were talking about earlier. The question my hon. colleague put to me is about maintenance if transfer payments decrease. As we know, in this time of fiscal restraint all money is tight. We all have deficits, including provinces like Quebec which has a huge deficit. We all know that. We know we have to be protectors of health care. I believe Bloc members are protectors of health care. I also believe they know that in order to protect it, being a part of Canada will give them a much better opportunity. It will be preserved and it will be much stronger.

When we talk about preserving health care, we have to look at new methods. We have to look at other countries. We know, as the Prime Minister has stated many times, our health care is the envy of the world.

Last week I met with Ralph Nader from the United States. He told us horrific stories about what is going on there with the health care system. He warned us to be very careful and ever vigilant not to move to the right, not to move with the Reform and look at a two tiered system. He warned us that would be the end of our health care system.

I call on all members in the House to stand with us and with the health care professionals who have done a wonderful job in our communities to preserve our health care.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I ask the hon. member to look at the medicare system or the health insurance program and one of the five principles, accessibility.

Accessibility tends to conjure a cost factor, that everyone is equal from a cost point of view. However, I would like to bring up two or three other points. The first is transportation, those in the north getting to the services. If anyone breaks a leg in the city, he or she can call an ambulance and go to the hospital. However, the same kind of accessibility is not readily available in the north. That is one aspect of accessibility.

The second is waiting lists. We are looking at health from a preventive point of view, a stitch in time saves nine kind of thing, but we have horrendous waiting lists. It deters accessibility if one has to wait to have a lump examined or whatever.

The third point is accessibility of services. Should we provide all services to all people in all areas? We can get into debates about whether there should be heart surgery in every hospital, every community hospital, or kidney machines, these kinds of things which are not economically feasible.

Therefore from the accessibility point of view, which everyone tends to zero in on, cost and the availability and the individual's economic position for accessibility, could you address the other three or four points?

The Deputy Speaker: I am sure the member meant to say "would the member address the issues".

Mrs. Chamberlain: Mr. Speaker, I am pleased about the three points my hon. colleague brought up. People in the north not being able to access services as quickly is an important factor. We have to always be vigilant on that in our decision making. We should not look only at the cities or the large centres, which is convenient and easier. We must always be thinking about our constituents in the far north or the far south.

• (1225)

The issue of waiting lists is also an absolutely valid point. Wherever we can we have to be constantly monitoring, constantly rechecking, constantly evaluating. What can we do better? I thank the hon. member for bringing up these things forward because only through evaluating what we do now can we get better.

Regarding services in every hospital, I do not know that every service has to be available in every hospital. There are centres with several hospitals. From an economical point of view we may have to look at certain services in one hospital and others located in a hospital five kilometres away, perhaps heart and kidney machines or whatever.

I am in full concurrence with the three points the member brought up. Again I call on every member in the Chamber to keep looking at the points my colleague brought forward. How do we make it better? How do we improve our health care? How do we save lives? How do we make a better quality of life in Canada?

We will do that not simply by feeding money into the system but by priorizing and by being very careful to hone our knowledge, to talk to other countries, doctors, nurses and caregivers who can tell us what we should be doing.

We have to make a call to all members that we need universal health care. We cannot start to erode this. I firmly believe in this principle.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, beyond the nice rhetoric on Canada's health care system, the real purpose of this bill is to confirm and expand the self-proclaimed federal mandate in the health sector, a sector which clearly falls under provincial jurisdiction and which is clearly Quebec's responsibility.

I want to draw your attention to the amendments, the additions to that act. Paragraph 4(2)(*a*) reads:

> (2) Without restricting the generality of subsection (1), the Minister's powers, duties and functions relating to health include the following matters:
>
> (*a*) the promotion and preservation of the physical, mental and social well-being of the people of Canada;

Paragraph 4(2)(*b*), which was not there before, reads:

> (*b*) the protection of the people of Canada against risks to health and the spreading of diseases;

We are talking about an expanded mandate regarding prevention. Incidentally, the former act included a section on the protection of the social well-being. That provision is no longer there. It has probably become a responsibility of the Minister for Human Resources Development, who will call it something else.

There is a federal will to take over the provinces' responsibilities—I will refer to Quebec throughout my speech; the other provinces can use a different approach if they wish—in fields which not only clearly fall under provincial jurisdiction—we will not discuss jurisdiction for the sake of jurisdiction—but in which only Quebec can work efficiently, because Quebec alone can implement an integrated policy.

• (1230)

As for amendment (b)

> b) the protection of the people of Canada against risks and the spreading of diseases;

I find that this is evidence of incredible gall on the part of the government after the disaster—the word is not even strong enough—the horror of the tainted blood problem. There was a hue and a cry in that connection to identify those who were to blame for the tainted blood, and everybody seemed to be responsible except the department. And now this is the responsibility we want to broaden here to include risks to health.

Risks to health are so closely linked to general conditions of poverty, sanitation, access to healthy accommodation, education, life, organization of life that one wonders how, in what appears otherwise to be merely a technical bill, the department's mandate could be made that broad.

Either there is a need felt in the federal government, in Canada, to assign itself responsibilities it is not able to meet because they affect people, or there is an inability to admit that the exercise of those responsibilities falling strictly within federal jurisdiction has been a lamentable failure. And I am not referring only to the budget. I could also address transportation policies, communications policies, even, recently, international policies with the disgraceful events surrounding the visit of the Chinese Premier.

It is, nevertheless, dangerous to lead citizens to believe that one is responsible for preventing risks to health when, in reality, one does not and cannot have the means to do so. To really have the means would require taking over the provinces' place. So, far from putting an end to duplication and overlap, the bill is typical of the inefficiency that exists in areas where there is the most crying need at this time, when resources are increasingly scarce.

In reality, it is far more important to ask who is responsible than to ask who is competent, for this reaches people more directly. When talk is of competency, in reality the term that ought to be used is responsibility.

Quebec is the one with responsibility, but not with the means because, as the Minister of Health has pointed out, since 1982–83, eight billion dollars have been cut from health alone, money which represented firm commitments to supposedly allow establishment of the health and social services system in Quebec at a time when—not because money was any more plentiful in Ottawa than in Quebec—there was an extraordinary central concentration of tax dollars. The original reason for this had been financing the Second World War, and that concentration suited to a T all of the senior public servants and politicians who had worked to get decisions on economic and social policies centred in Ottawa, with the provinces only as subcontractors.

• (1235)

This policy was rejected unanimously in Quebec, by all parties. The money that was collected and is still being collected, something which Duplessis, yes Duplessis, tried to get around when he decided Quebec would have its own tax collection system, the federal government used this money so it could determine the direction, development and control of economic and social policies, instead of the Government of Quebec.

This bill confirms clearly and unreservedly the government's policy of overlap and duplication and the irresponsibility we saw in the tainted blood scandal, for instance.

The federal government takes credit for introducing the health care system, as though it would never have happened otherwise. I will not get into the history of this policy which, although its origins go back to Saskatchewan, became a Canadian policy. A respected author on the subject, Thomas Duperré,

said in 1987 before the commission of inquiry on health and social services in Quebec that establishing federal programs merely shifted to the federal level a debate that had already started at the provincial level and would have led to the same results over the same period of time, give or take a few months or a few years.

Quebec Health Minister Jean Rochon is, as everyone knows, an expert on these issues. He was involved in the work of the Castonguay–Neveu Commission and later chaired the commission that started its sittings in 1985 and developed the policies of both the previous and present government. So this is not a partisan position, anything but. According to Mr. Rochon, "the Canadian health system is a myth. The truth is, we had developed a health and social services system, despite the fact that the federal government centralized its control over resources while ignoring exclusive provincial jurisdiction in this area as conferred under the constitution of the Canadian confederation".

The minister went on to quote the Quebec Minister of Social Affairs and Welfare René Lévesque. At the federal–provincial conference on poverty in 1965, Lévesque, federalist minister in a Liberal government in Quebec, said that it had become imperative to establish a genuine economic and social policy. This policy should be integrated, flexible in its mechanisms and include a social security system centred on the family and based on the right to assistance on the basis of need.

The same sentence, with few changes, could be used to express the same urgency voiced by sovereignists quite recently. Mr. Lévesque went on to say that for the sake of efficiency and on constitutional grounds, the Quebec government alone could and should, within its own territory, design and implement such a policy. Quebec could not let the Government of Canada assume this responsibility. Quebec did not, however, exclude interprovincial co–operation and mutual consultation.

• (1240)

He also said that the social and economic development policy they had formulated would create an integrated social policy, regional development policy, manpower policy, health policy, housing policy and job training policy.

Fourth, the federalist minister said that the general policy, while he did not necessarily condemn it, did not necessarily correspond, in terms of its spirit and terms of application, to one the Government of Canada might opt for. The people of Quebec would enjoy at least as many if not more benefits than other Canadians might.

The central government's repeated interference, expanding into preventive medicine, is an affront to the intelligence of the history of the past 30 years. It is compromising, in a way—and here I am talking of Canada outside Quebec—and it compromises, it seems to me, a now necessary reorganization. Instead of decentralizing, the federal government is busy reaffirming ever more resoundingly its responsibility for all areas of economic and social development. Through cuts and the transfer of the deficit, it is, moreover, usurping the ability of the poorest provinces, at least, to replace them.

This is a historic moment in the history of Quebec and of Canada. It is not without some emotion that we view these bills—we will be debating Bill C–96 this afternoon or tomorrow and the human resources investment fund and unemployment in the days and weeks to come—that we note that the thinking behind all these bills is one of increasing centralization.

It is an approach, as the Canada social transfer demonstrated in the budget, whereby the only thing transferred to Quebec is the deficit. We are moved by the fact of having to say that the central government wants to take over protecting the public against health risks, when we know the extent to which poverty affects health significantly. We know that centralized and centralizing policies are not going to provide us in Quebec with the tools we need to fight unemployment, poverty and with poor health at the more disadvantaged levels of society.

• (1245)

We will continue to express the thoughts of the large majority of our fellow Quebecers. Even those who voted no, know that, through their municipal governments, their social groups and their Government of Quebec, closest to them, and the most effective integrator, they will not get to heaven, but at least they will have the assurance that every effort was made to provide equality for all in Quebec.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened intently to the comments of the member for Mercier. I am always very interested in her deep understanding of social issues.

As I listened to her speech, it ran across my mind what she was talking about were communicable diseases. I wondered whether she thought diseases like AIDS or other diseases knew national boundaries. Are specific diseases that could possibly occur in Quebec unique to the borders or indigenous to the borders of Quebec, or are they diseases that can occur throughout the country and indeed throughout the world?

When we are talking about research in diseases and communicable diseases it seems to me that as a country we need to consolidate our work in these areas to try to find solutions rather than be fragmented and have separate research areas throughout the country.

Next is the whole aspect of governments being closer to the people. We have talked a lot in the House about the issue. I have often wondered if it is psychological talk. We look at a map and we see Ottawa and we see Quebec City. However, what does it mean to someone in Chicoutimi, Arvida or other places in Quebec to get government services closer to the people?

I know in my province, for instance in the area of education, we say that it should be close to the people. The reality is our education system is operated from Toronto. It is not any closer to the people than if it were in Ottawa. I suspect this is true in Quebec as well. The government getting into the lives of people on the streets of those communities is not any more well developed from Quebec City than it is from Ottawa.

An issue that really concerns me about Quebec and its economy is the over–preponderance of provincial debt in that province. Also there is the preponderance of the province of Quebec to borrow, incidentally outside its borders. Some 54 per cent of Quebec's debt is funded outside Canada with foreigners. The referendum actually required the Government of Quebec to borrow $35 million from foreigners to ask its people if they wanted to be an independent country. It seems a little absurd, quite frankly.

Could the member address some of these issues but mainly the whole issue about how we are to get government closer to the people? The federal government, for instance, pays old age pension cheques and the Canada pension plan. It deals directly with people. The Canadian employment services are in our communities. It is the federal government but it is not in Ottawa. It is in our communities and are dealing with community problems. I ask her whether some of this stuff is psychological.

[*Translation*]

The Deputy Speaker: The hon. member for Mercier will have as much time to answer as her colleague had to put his question.

Mrs. Lalonde: I have more time, Mr. Speaker? I will be brief, because the hon. member took a lot of time asking his question.

The Deputy Speaker: I said that the hon. member would have as much time as the member who asked the question.

• (1250)

Mrs. Lalonde: Mr. Speaker, I mentioned health risks, and AIDS is not the only one. But for the sake of example, let us take the tainted blood issue. Do you think that it was any comfort to Quebecers to know that the so–called responsibility was being assumed nationally? It is important to know.

Second, our hon. colleague seems to be telling us that, in Canada in general, people may feel it is quite normal for the central government to try to be the one that is the closest to the people. But in Quebec, it is not so. René Lévesque himself said: "We have nothing to prove". We are a people and a nation, and we know that without one being necessarily better than the other, social, economic, cultural and political organization varies from one nation to another. That is what we are asking for with regard to health as well, and if I say so, it is because I know that I am speaking on behalf of the vast majority of Quebecers.

As for the debt, we think that when the debt is high, it is essential that we be the ones to make the choices, as hard as they may be, and also that we concentrate our resources in areas where a structuring effect can be expected, which is not the case at present in the federal system. Employment centers are indeed a case in point. We have been fighting unanimously for years with ineffective weapons in Quebec to get back control over manpower training, because we know that manpower training is an essential economic development tool.

[*English*]

Mr. Shepherd: Mr. Speaker, I should like to ask the hon. member a question about education in the province of Quebec, an area that has always interested me.

Education, as the hon. member knows, is exclusively a provincial jurisdiction. Over the years Quebec has had complete control of it. If it was so important and useful in such a supreme system to have exclusive jurisdiction in this area and if it was better for the people, why is the dropout rate in Quebec one of the highest in Canada?

[*Translation*]

Mrs. Lalonde: Mr. Speaker, this is an excellent question, and I am convinced that the drop out rate is a reflection of our whole social organization. The drop out rate has something to do with poverty. It has something to do with the lack of hope within Quebec and, if you must know, many people are sovereignists like me and will continue to pursue sovereignty because they are convinced that this is the only way to give people hope and make them drop back in.

While there are technical means to bring young people back to school, we know that those who drop out do not do so because their teachers are boring. We know what makes them drop out. We know that an underprivileged youngster is much more likely to drop out.

[*English*]

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, as I rise to speak in support of Bill C–95, an act to fix the name of the Department of Health, I am inclined to ask how many hon. members know that above all it is a department that puts its money where the greatest need is no matter where in the country.

Counting all Canadians from coast to coast to coast the greatest health needs are found among the First Nations. For native peoples life expectancy is seven years lower than the Canadian average. Newborns die four times as often. Substance abuse is prevalent. Sickness is more pervasive. Children are most at risk for malnutrition. For these reasons two out of every three dollars spent by the Department of Health excluding transfers to provinces go to enhance native health. More than 2,000 employees of the department are in the direct care

business, mostly dedicated to helping Indians on lands reserved for Indians.

At a time when most government programs are being cut back, the Minister of Health prevailed to secure additional funds for native health in the recent budget. The government remains committed to mending the inequities that have persisted far too long.

• (1255)

The growth in expenditure will gradually taper down but lead time has been provided for native leaders in consultation with the department to explore alternate approaches to achieving the same levels of quality care that other Canadians have come to expect as their right. It is an essential part of Health Canada's mandate to help First Nations achieve the highest possible standards of health care. The department is expanding some programs and introducing others.

Health Canada's building healthy communities strategy is funded by $243 million over five years to strengthen and expand existing health programs for native people in areas of critical need, including solvent abuse, mental health and home care nursing. The strategy is designed in consultation with First Nations and Inuit leaders.

Last May the minister announced supplementary funding under the solvent abuse program for six new permanent treatment centres to deal with solvent abuse among First Nations and Inuit people. The centres are located in northern B.C., Saskatchewan, Manitoba, Ontario, southern Ontario and Quebec.

Last May the minister also announced the aboriginal head start aimed at helping disadvantaged children overcome some of poverty's life–drag effects. As it evolves it will provide more and more children with a positive self–image, a desire for learning, and an opportunity to develop social, emotional, physical and learning skills.

Aboriginal people have told us there is a need for programs for young children and families that reflect the culture and experience of their communities. Together with Canada's aboriginal community we have embarked on a mission that will support the need. All Canadians can be proud of the program because its design was developed with input from aboriginal people in both urban and northern communities across the country.

Aboriginal head start represents a made in Canada approach that can begin to address the unique needs of First Nations, Metis and Inuit preschool children and their families. There is ample evidence of the health and educational differences that exist between the Indian, Inuit and Metis people when compared with other Canadians. We know that by working together we can better deal with these problems.

Over half of Canada's aboriginal population does not live on reserves and this population is very young. While 7 per cent of Canada's total population is under four years of age, 13 per cent of the aboriginal population is under four, nearly twice as high. Studies of head start programs have proven that investing in young children is one of the best investments society can make. Head start programs for young children can have a profound and positive effect on their lives.

The elders tell us that every child has his or her own gift and that it is the responsibility of the community to identify that gift, nurture it and ensure that each child is aware of how special she or he is and that she or he is a gift from the creator. This traditional belief is a natural starting point for a healthy beginning in life. Aboriginal head start is similar to a community based early intervention program developed in the United States more than 30 years ago. Those who are familiar with the head start program will be pleased to know that while we will build on their many successes we hope to improve on what they have done.

An important recommendation from our talks with aboriginal people was to make the program flexible. Doing so allows the uniqueness of the First Nations, Metis and Inuit communities to be respected. Aboriginal head start is not complicated and it will have little red tape. It focuses on local non–profit organizations controlled and administered by aboriginal people who see the parent as the natural advocate of the child. Grandparents and elders play a significant role in aboriginal head start projects. Young aboriginal children will benefit from their wisdom and knowledge of tradition. All aboriginal head start projects will have strong parental involvement.

Aboriginal head start will be guided in each region by a committee comprised of aboriginal people who have been nominated by their peers and bring with them an appreciation and understanding of aboriginal cultures, values, traditions, experience and educational expertise. They will assist in identifying priority sites and selecting projects.

As well, a national aboriginal head start committee is being established to ensure the initiative has support and strength across Canada. Its members will be chosen because they have a broad understanding of early childhood development.

• (1300)

It is clear to the federal government that programs for aboriginal people, designed and delivered by it, are more successful than those delivered by outside agencies. I have no doubt that aboriginal head start committees and local head start projects will succeed.

We have placed our investment and trust at the community level because we believe one of the ultimate goals of this initiative is to help parents and children build better futures for themselves. The Government of Canada will continue to work in strong partnership with Indian, Inuit, and Metis people in fulfilling the commitments made in the red book. Through the aboriginal head start program we are continuing to promote community action and empower communities by providing the tools and resources to improve overall economic and social opportunities for children and families.

Although it was inspired by a community based program of early intervention and had its start in the U.S. more than 30 years ago, this head start program is much improved, based on substantial input from aboriginal people in urban and northern communities.

Aboriginal head start will be flexible, respecting the unique characteristics of First Nations, Metis, and Inuit people. Grandparents, elders, and parents will play significant roles and the program will be guided in each region by a committee of aboriginal people nominated by their community.

Head start programs for young children have profoundly positive long term effects. Their impact on aboriginal communities will be even greater elsewhere because in these communities there are nearly twice as many children under the age of four, nearly twice as many in proportion to their share of Canada's population.

One specific program illustrates the care and concern manifest in this department. Last May, Health Canada was the major sponsor of the third annual international conference on diabetes and indigenous peoples, which was held in Winnipeg. Hon. members may be aware that diabetes is one of the most serious chronic diseases among aboriginal populations in Canada. Diabetes rates for natives are from two to five times greater than for Canadians in general.

Health Canada works in partnership with aboriginal people to improve knowledge and treatment of diabetes. The department recognizes what the minister calls the critical role for traditional aboriginal practices in the healing process. This recognition of the value of traditional practices is of fundamental importance and reflects the department's major focus on the native front, which continues to be transfer of control of programs to First Nations.

Over the years, Health Canada has come to recognize that health programs designed and delivered within aboriginal communities are often more successful than those delivered by outside agencies. Therefore, it now works with First Nations to enhance their control of health resources. There have been more than 40 health transfer agreements concluded, involving about 100 First Nations, and the annual expenditures are more than $43 million. About twice as many again are under negotiation. Self–administered health care is one of the powers that will eventually enable First Nations to achieve self–government.

I have used this occasion to remind hon. members and all Canadians of the commitment in this department to improving health and longevity for Canada's first peoples. There remains much to be done, but I know that our Department of Health, rechristened and recharged, will reconfirm its dedication to those most in need.

I am pleased to support this clearing of the deck and positioning for the future brought about through Bill C–95.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I would like to address a couple of things in the bill. One is that there is a tendency to think of it as a housekeeping bill because it is a change of name. There are a couple of reasons for changing name. First, it can be done because we do not like the present name. Second, the mandate or the content of the department can be changed. I would like to suggest that the bill represents a little more than just changing the name of the department.

I find it a little amusing that we are discussing the creation of the health department two years into our mandate. I believe we are going to be doing human resources a little later. Also, through Bill C–107 we have created the B.C. Treaty Commission approximately two years after it began functioning.

• (1305)

Getting back to the health department, the fact that it has been up and running under this mandate for two years gives me a little concern as to what its mandate actually is. Whether its mandate has been increased or decreased is the focus of what I am looking at here.

The Department of Health is a product of the phasing out of the Department of Health and Welfare and the Department of Consumer and Corporate Affairs. It is my understanding that most of the mandate that was the Department of Consumer and Corporate Affairs went to the Ministry of Industry. I am assuming that a lot of the welfare aspect of the Department of Health and Welfare went to the Department of Human Resources Development.

I am wondering what is left for the Department of Health. When we talk in our debates about health we tend to zero in on the health insurance or the medicare component of this department. I would think there is a lot more to health than that particular aspect. That is one component of what a good and functioning health department should be.

If we look at clause 4 of the bill itself, it states that the health department will promote and preserve the preservation of health for the people of Canada. I might add that it states it will do that where it has not been otherwise delegated to other jurisdictions within the government structure.

The second part expands on that a little more. Paragraph 4.2(a) refers to the promotion and preservation of the physical, mental, and social well–being of the people of Canada. I would argue that the social well–being, as we heard earlier in the debate, involves such things as housing, jobs, et cetera. It goes into great parameters from that point of view as to our individual well–being. I would suggest that possibly that aspect is being removed with the removal of the welfare component. Consequently, the health department is in a position of having to collaborate with a number of other industries in actually addressing some of these concerns.

The physical and mental component of that statement is relatively easy to address from a health point of view, because one can certainly look at that within this mandate. However, with the removal of the welfare component the mandate for health has been diminished to a point that now we are in more collaboration and co–operation with the other departments. There is not the same authority there the department once had.

When we move further down the list to what the mandate of this new department will be, in paragraph 4.2(b) it talks about the protection of the people of Canada against risks to health and the spreading of diseases. One would tend to think immediately in that component of communicable diseases and such other diseases that do not necessarily meet the definition of communicable diseases such as HIV–AIDS and possibly hepatitis B and C. These are pandemic kinds of situations. I would hope that a health department would have a major role in addressing these types of things that affect the Canadian people.

We have had some experience in the past two years with both these issues. In my opinion, the response of the government has been reactive. I am wondering if this is a sign of some weakening in the department's ability to pick up the reins and lead when these situations occur.

• (1310)

We go down to paragraph (c), which is "investigation and research into public health, including the monitoring of diseases". I am not sure if it is the only reference, but I believe it is the only reference made in the act to research.

In this context, one tends to think of investigation and research, more studies. We are going to research this, study it. As we all know, we have done a lot of studies. In some areas the feeling is that we have done enough studies over the years and it is time to get into some action.

I also would like to suggest that the research component of health is very important. It not only should be addressing diseases that are out there, but we should be looking at where we are going in the future from a technological point of view and how these things will affect our health.

I am a little concerned that this is the only reference made to research. It tends to imply that we would be looking at diseases.

Paragraph (d) states that the health department will establish and control the safety standards and safety information requirements for consumer products and safety information requirements for the products intended for use in the workplace. That is a program called WHIMS, which is being carried out by the provincial governments. The federal role in that now tends to deal with a problem within a company in which they feel the giving out of that information on their product may violate the marketing aspects of their product, put them in jeopardy of being duplicated or whatever. I would suggest that the federal government's role in WHIMS is minimal now that it has actually been established and implemented.

Paragraph (e) refers to the protection of public health on railways, ships, aircraft and other methods of transportation. Here is a situation I made reference to earlier. The health department is in a position of not having necessarily authority in these areas but having to collaborate with other ministries. I suggest that this will weaken the leadership of this department.

Paragraph (f) moves into the promotion and preservation of health in public servants and other employees. That stands on its own. The health department definitely is a major player there.

Then we move into an environmental type of clause, international, dealing with the United States and others. Now we have another situation in which I am suggesting health is again in collaboration with another department, in this case environment, which means that there has to be a meeting of minds between the two departments for leadership to evolve in whatever situation has to be there.

Paragraph (h) refers to the Statistics Act and the collection, analysis, interpretation, publication, and distribution of information relating to public health. I would like to say that this aspect is being well done and has been well done in the past. We have had experience in our past where people have been able to get information about specific things. Having worked in the health care field before, I know that if one put the effort into obtaining information one certainly could get it. I suggest that the various departments in Health Canada, the bureaucratic component, have been the major bonus in this aspect of things.

We are gathering information and correlating it and then disseminating it to the people. I have dealt with the health programs and services branch with Kay Stanley, specifically in relation to cardiac situations. I must say it has been excellent.

• (1315)

Two positive mandates of the health department have come up in my dialogue so far. One is the education and correlation of information and the other is public servants' health care.

The last item is the co–operation with provincial authorities with a view to the co–ordination of efforts made or proposals for preserving and improving public health. My interpretation of that is it is the one which addresses medicare or health insurance. Again, the role has been delegated to the provinces to provide the service. The federal role is the Canada Health Act and the five principles thereof which ensure that the provinces meet those five standards.

Through the amalgamation of departments we have weakened our health department with respect to giving it the necessary authority to address a great number of issues. Many other aspects of the health department, other than the health insurance aspect which has been transferred to the provinces, are tied up with other departments. One really does not know who has jurisdiction.

Being the critic for aboriginal concerns I have seen many studies. We just heard a member speak about programs. There are numerous studies, such as the EAGLE study which is being done in collaboration with the environment department. There is a drinking water study in progress on which the department of health is collaborating with the department of Indian affairs. As a matter of fact, with respect to the drinking water project, I believe an education program has been established.

All of these things are necessary. There is a great concern regarding the health of our aboriginal people which we should be addressing. We know that breast cancer is another problem which we should be addressing. There are many problems which need to be identified and addressed.

The authority to address these health problems within other jurisdictions, for example, aboriginal people falling under the department of Indian affairs, tends to weaken the authority of the health department. We can get caught up with money, priorities or other things. My point is that I think it is a weakness.

There is an abundance of money in the health care budget. There is a tendency to think of that money in relation to the health care insurance plan. We hear all kinds of dialogue about withholding transfers to the provinces and cutbacks in services. I realize there is a formula which is based on a dollar amount per head.

I might suggest that when we start looking at all of the areas in which health is involved, such as the studies and the various programs in collaboration with other ministries, possibly some of that money might be better used on the other side of the health department which is health insurance and medicare. I realize that entails changing the formula.

• (1320)

The moneys available in health care for health insurance—and I do not know what the percentages would be on that through the whole budget—should be revisited in relation to all the other things the health department should or could be doing with the dollars it has but has allocated elsewhere into studies and various individual programs.

Returning to the reference I made earlier that this bill is creating the health department, this department has been functioning for two years. It may support my argument that the department has been weakened. I hope there is a little more activity coming from the health department. We have had no legislation to date other than this bill. Bill C–7 was referred to the health committee but it was not introduced by the health department to this House.

We had the tobacco situation early last year which again had a negative effect on the health situation. We have had the blood tainting and HIV–AIDS situations. We have had comments about the transfer payments to the provinces in the west. We have had TB in the women's prisons and also the assisted suicide issue arise. There was not really any leadership from the health department. The medical profession actually expressed the pros and cons and the ethics of this and the other House undertook the study on palliative care issues.

I have concerns. We are not just dealing with a name change. I have concerns about the role of the government. I have great concerns that it is being diffused.

I have had some discussions with the Canadian Nurses Association. The association expressed the concern that with the removal of welfare the department would be restricted in its ability to address the whole human being which is important. The approach of health care workers in Canada has changed from an illness approach to a wellness approach where they must look at the whole body. There are concerns from the Canadian Nurses Association on that.

The association is also concerned that the national standards coming from the department relate specifically, from what we have heard so far, to the Canada Health Act and the five principles which relate to the health insurance program.

Those are some of my concerns. I will certainly be supporting this bill when the vote comes. I am concerned that it is being diffused. The team leader, the Prime Minister, calls the shots

when it comes to setting up the ministries. I do have concerns that this department has been extremely weakened.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I appreciated the hon. member's comments, some of which were well thought out. I appreciate her supporting the bill.

The most important recurring theme I heard the hon. member refer to was that this new act will weaken the Ministry of Health in that the Ministry of Health will have to collaborate and co–operate with other departments. I do not see it that way.

As the hon. member rightly said, health is more than just the absence of disease. Health has to do with environmental issues. It has to do with issues relating to poverty and socioeconomic status. It has to do with issues of public health which has to do with contagious or transferable diseases.

• (1325)

Departments such as environment, Indian affairs and northern development and human resources development are already in existence and are already dealing with these issues. What happens is a duplication of efforts. In the past, programs were going on within other departments and health would be duplicating some of them. The idea is that if there had been a concerted effort, then health and the other department, which in turn deals with its colleagues at the provincial level, can create a better understanding of the issue. Then the appropriate department working with health can set a healthy public policy with regard to those things.

The positive thing is that in the past many departments have felt that they did not have an impact on health. There is now a real opportunity for departments to understand that health touches every single aspect of our lives. Those departments, whenever they make policy, can focus on looking at the healthy public component of their policy instead of focusing on the other aspects that did not include health and left the health components up to health, in which case it was very diluted. It was more diluted in that case than it would be in this way.

For example, let us look at the issue of poverty and the transfer of the welfare component of health and welfare to human resources development. We know that one of the things that has to do with poverty has to do with creating opportunity for people for employment training to become independent contributors to society. This is already a major part of human resources development. Therefore, developing human resources is going to decrease poverty in the long run which will then impact on health.

This gives better focus to all of the departments which will in turn see that health is an important component of whatever they do across the spectrum. It also gives the Ministry of Health the ability to look at developing clear health promotion and disease prevention guidelines, focusing on research and some of the things the hon. member spoke about.

Research in terms of disease is not the only component of research one wants to do. The Medical Research Council is looking at health promotion research which will lead to the promotion of positive health status as opposed to just looking at the disease components.

This gives the Department of Health a better focus on some of those issues including public health which, as members well know, means taking healthy public policy with regard to things like sewers, contagious diseases, quality of drinking water and safety, as the hon. member mentioned, which is an important part of what the department does right now. The department will focus on those issues very clearly and will work in co–operation and collaboration with the other departments. This will be a learning process with the other departments to see how what they do impacts on health.

Ms. Bridgman: Mr. Speaker, I appreciate the hon. member's comments. I also appreciate that progress can be achieved much more quickly if we work together.

I recognize the validity of ministries getting together and talking to avoid duplication and channelling their energies in the correct direction. This just does not apply to health; it can also be applied to the environment. Environment affects all the ministries as well.

My concern is that somebody somewhere has to have the authority to take leadership in these situations. When one starts collaborating to that point, is it a committee decision, a health decision, or a ministry decision that we are talking about? How does the priority for recognizing the problem which has been identified actually come into being?

• (1330)

The authority of the department is diminishing because its role is becoming more of an associate or advisory role to the other ministries. It is picking up the gauntlet and running with the program out of its own budget. That is where my concern is. I have no problem with collaborating. That is excellent and it is time we got to it.

I do not see any authority in this paper. If we have a health problem what authority does the department have to put it on the front burner? That is what I am concerned about.

Ms. Fry: Mr. Speaker, I understand the hon. member's comment. It is like the chicken and the egg syndrome.

According to the member's vision of health it would be a super ministry encompassing all the ministries that will in turn look to the Department of Health to make decisions. Obviously that is not possible but it is an interesting concept.

This is what we have to move to. If we are talking about sharing jurisdictions and incorporating, we are also educating other departments so that people do not continue to focus in a narrow tunnel vision in specific departments on only one component of what they do. It is better for public health policy if the Ministry of the Environment recognizes that whatever it does impacts health, as opposed to the Department of Health constantly saying that it must do this and that, and so on for every other ministry.

I see it as a positive move as opposed to a negative move.

Ms. Bridgman: Mr. Speaker, it might be the chicken and egg syndrome, but the concern first came to me with the EAGLE program. To my understanding that program is being done with the involvement of an aboriginal group. There is probably a specific group around the Great Lakes. The program is studying the effects on aboriginals of the Great Lakes environment. I believe it is being done in collaboration with Indian affairs.

This collaboration is ongoing. We are studying the effects on aboriginals of the Great Lakes environment. I am sure it is affecting other people as well but because it was done in collaboration with one department we have zeroed in on a specific group. This is the trend I am seeing. Instead of the effects on Canadians, we are studying the effects on aboriginals because of the ongoing collaboration. That could get out of hand eventually.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I am supporting Bill C–95 because of the important role Health Canada plays in the life of Canadians. Too often Canadians, and even some hon. members of the Chamber, do not realize that there is more to health than the Canada Health Act. Health Canada supports unique federal roles and responsibilities. The work undertaken by the department is far reaching and important.

Health Canada not only provides the benefits of universal health insurance, it also ensures the safety of food, drugs, cosmetics, medical devices and consumer products. It invests hundreds of millions of dollars in health research. It monitors disease in developing pathogens and it conducts a wide variety of health promotion programs and activities.

Finally, Health Canada administers health services to First Nations, federal public servants, Canadian civil aviation personnel and Canadians in need of emergency health and social services in case of national civil disaster.

The department touches Canadians every day in all aspects of their lives. Canadians look on their health system with pride. They have an overwhelming degree of satisfaction with what the department is doing. They expect governments to work hard to adapt to changing times and priorities. They understand the need for cost effectiveness, but they demand the security of a department concerned with maintaining and improving the health of all Canadians.

• (1335)

The government has recognized that economically disadvantaged, unemployed or poorly educated Canadians are more likely to suffer from ill health and to have a lower life expectancy. Like governments everywhere we will strive to deal with these problems. We are committed to an equitable health care system. The vast majority of Canadians are solidly behind the efforts being made by government, professional groups and other stakeholders to improve the efficiency of the system.

Canada has a long history of commitment to these principles in serving a dispersed population in a federal system of government. We will maintain our commitment to these principles notwithstanding some difficult economic reality that we, as many nations of the world, are experiencing at the moment.

Canadians look to Health Canada for reassurance whenever there are natural or civilian disasters or threats to national health from chronic diseases such as cancer and tuberculosis or communicable diseases such as AIDS, HIV or the Ebola virus.

Within Health Canada 6,400 employees work to provide Canadians with the research data, programs, information and support they need to make positive lifestyle decisions. The business of the department is conducted in offices and laboratories, in cities and on reserves located on sites all across Canada. Just over half the department's employees work in the national capital region while the rest work in regional offices, collaborating with their provincial, territorial and non–government counterparts.

The Canada Health Act is administered by about 25 employees in Ottawa. The face of Health Canada comprises many names and many talents. Forty per cent of Health Canada staff are involved in the area of health protection, keeping Canadians safe from risks to their health arising from emerging diseases, dangerous products, the environment or unsafe food or drugs.

Defining, assessing and managing current and emerging health risks are also among branch responsibilities, along with maintaining the country's health protection infrastructure. More than 2,000 employees of Health Canada work in the area of First Nations health within the medical services branch. It is often forgotten that two–thirds of the budget of the department, excluding transfers to provinces, is devoted to native health.

Health Canada provides community health services to status Indians on reserves and to residents of Yukon through 600 health facilities across Canada. In order to help First Nations to achieve the highest possible standards of health care, the department has undertaken a variety of initiatives. These include the five–year building health communities strategy and

the aboriginal head start program aimed at children. The latter is a government red book initiative.

However the department's major focus remains the transfer of control of programs to First Nations. The first main program of Health Canada is the health promotion and programs branch involving some 525 people. They provide support to groups at risk, including children, families and seniors, and develop programs to prevent and reduce heart disease, breast cancer and other illnesses. They also work with and assist Canada's many national voluntary organizations.

It is not well known that the federal government spends about $340 million on health research annually. Altogether we estimate that in Canada we spend about $1.5 billion a year on health research. This is a very impressive number.

Each of the three program areas has staff in every province and territory. Not only are offices located in provincial capitals but members will find Health Canada staff in smaller centres like Trois–Rivières, Hamilton, Thompson, Port Qu'Appelle, the Sarcee reserve at Tsuu Pina in northern Alberta, and Prince George.

Most of the remaining thousand or so employees work in the national capital region managing the department, developing health policy and legislation, undertaking consultation and managing essential departmental services. About 250 people work in the Pest Management Regulatory Agency, the Patented Medicine Prices Review Board and the Hazardous Materials Information Review Commission.

Canadians have a strong attachment to their health system and the federal role in it. They look to the federal government to provide a viable, well managed national health care system. According to an Angus Reid poll of March 1995 almost all Canadians want national standards in health care, with 94 per cent saying such standards are somewhat or very essential.

• (1340)

At a time when so much is changing in Canada and in the world people need security to cope with change. They expect their governments to play an important role in that regard by providing Canadians with the best health care system in the world and by reassuring them that they will be taken care of if they are sick, that the products they use are safe and that the most advanced research goes into the measures Health Canada takes to prevent disease. The Department of Health does this to earn the trust and confidence of Canadians.

We have proven over and over again that a publicly administered health care system is the most effective, most inclusive and most successful system one in the world. Privatization of the health care system is a weakening of the system of health care. It only makes the private corporations wealthier at the expense of those who need health care and at the expense of accessibility.

This is why I support the bill and I encourage all members of the House to do so.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, this afternoon, we are considering Bill C–95, an act to establish the Department of Health.

This bill contains a number of disturbing clauses, and the Bloc members who spoke before me in this debate pointed out that the provinces will have to pay close attention to how the federal health minister implements these clauses, because they give the federal government an opportunity to encroach on an area of provincial jurisdiction.

I think that our concerns are totally justified; I would like to go beyond the clauses themselves and look at how the Department of Health has been positioning itself for some time now.

As hon. members will recall, in the throne speech almost two years ago, the government announced the national forum on health with great fanfare. What has happened since then?

I would like to think about this because I think it puts the bill before us in a special light and allows us to express a number of reservations with arguments that everyone can understand better.

This forum on health officially started its operations on October 20, 1994, under the chairmanship of the Prime Minister and the vice–chairmanship of the Minister of Health. The mandate of this forum is to improve the health of the Canadian people, increase the effectiveness and efficiency of health care services, and make recommendations to help the government achieve these goals.

We should point out here that the federal government does not miss any opportunity to interfere in the area of health. The federal government therefore decided to participate in the debate and even to initiate the consulting process to assess the Canadian health system, despite the fact that this is an area of exclusive provincial jurisdiction, while setting future priorities in order to improve the quality of health care.

The federal government is making a lot of claims. As you will recall, it turned down the request by provinces to participate fully in the work of the national forum on health. Instead, the Liberals decided to let the provinces attend the forum but only as observers.

How, I ask you, could the federal government disregard the main stakeholders in the area of health, namely the provinces? On September 27, 1994, the current Minister of Labour, who was then Quebec's Minister of Health, told *La Presse*: "The federal government's conduct does not make any sense. How can they contemplate reviewing the health care system without the participation of the provinces, which must provide the services. It is simply unacceptable".

• (1345)

Senator Thérèse Lavoie–Roux said, in the other place, on May 31, 1994, that the government was headed in the wrong direction by overlooking the role of the provinces. She said, and I quote: "Are the provinces not considered major partners? Why were they not invited to participate in the forum? Does the leader find it appropriate for the government to be acting unilaterally on a matter of provincial responsibility?"

Needless to say that the federal government went ahead with its national forum on health, in spite of the strong objections of the key players in the health sector, namely the provinces.

On October 21, 1994, during question period, the Prime Minister said, and I quote: "We in Canada cannot afford to lose our health insurance system because we did not take the time to plan for the future".

That statement from the Prime Minister is telling in more ways than one. First, the federal government sets itself up as keeper and promoter of the quality of health care services provided to the public. According to the Prime Minister, it is thanks to the federal government if the health care system, as it exists, is the pride of Canadians.

Following a meeting with provincial officials in Victoria, the health minister said, in a press release: "The October 15 date is final. However, I believe we can reach an agreement to end extra–billing by clinics to cover essential medical services. It was never my intention to penalize the provinces, but I firmly intend to preserve and to protect Canada's health care system".

Meanwhile, the federal government is careful not to mention the dramatic consequences of its financial withdrawal which, for Quebec alone, will have resulted in a shortfall of over $8 billion between 1982–83 and 1994–95. That is a lot of money, considering that the government claims to be the keeper of health care in Canada.

The government is also trying to give the impression that it is the only one able and willing to propose efficient solutions to solve the thorny issue of funding for our health care system, as it currently exists. The federal government goes so far as to assume the responsibility of defining priorities to preserve the future of quality health care services.

The Prime Minister's statement shows to what degree the federal government sees itself as the "great thinker" regarding Canada's current and future health care systems, as well as the one which can ensure that it remains accessible, free and universal.

Let me quote an excerpt from a document on the federal–provincial perspective prepared by Thomas Duperré on behalf of Quebec's commission of inquiry on health and social services: "By using several programs gradually put in place over the years, the federal health department tends to give itself overall responsibility for health and social services, and it does not hesitate to describe itself as the main architect of the implementation and smooth operation of Canada's health system. It should be noted that, for the Canadian government, health services (and, to a lesser degree, social services) in this country form, to a large extent, a nationwide system. Indeed, Ottawa sees provincial governments as mere health care providers, and provincial programs, which never seem to form a global structure, as mere elements of the national system. Provinces, and particularly Quebec, sometimes find it hard to understand the federal government's attitude in the health and social sector. This is because they forget that, rightly or wrongly, the central government gives itself a much larger role than the one provided in the constitution".

• (1350)

Nevertheless, it is obvious that the provinces constitute the ideal sociopolitical agent for health system reform. According to the distribution of powers under the 1867 Constitution Act, only the provinces have the power to create, deliver and administer health and social services to the public.

Let us look at the example of the various actions undertaken by the government of Quebec to transform, modify and improve the health system over the past ten years. Let us think of the Rochon Commission, which took a critical look at the entire health system in Quebec. Each component of the system was placed under scrutiny and a number of groups involved in the health field spoke before public Commission hearings, in order to make known their concerns, their anguish, and their suggestions for improving the irritants inherent to the system.

After this brief review, I hardly need point out in connection with Bill C–95 that the provinces and Quebec are the ones best placed to intervene directly and knowledgeably in the system of health care and services. Who better than the provinces is able to know what the true issues are, and what solutions are required, to keep the health system accessible, universal and free of charge?

The better solution by far would be to hand over to the provinces all taxes earmarked for health care, allowing them to provide their populations with appropriate and suitable health services. Interaction between the provinces would result in agreements to ensure the delivery of services that, while homogeneous and equivalent, were tailored to the specific requirements and means of each province, Quebec in particular. I shall close on this note, Mr. Speaker. Thank you for your kind attention.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I thank the hon. member for his comments.

The hon. member spoke about the health forum. He said the health forum is encroaching on provincial jurisdictions. The health forum is a dialogue by Canadians who form the forum and who were chosen from every province. They have an ongoing dialogue with Canadians about their vision for health system as we move into the 21st century.

I believe it is appropriate for the health forum to do exactly that because Canadian medicare is Canadian. It is pan–provincial. It is a Canadian institution. Eighty–nine per cent of Canadians from every province agree and support medicare as something they treasure as a Canadian system of values and as being completely Canadian in its context.

The provinces deliver services. Nothing in the dialogue the health forum is having with Canadians should interfere with that. These are Canadians speaking with Canadians to get a vision of their health care and reporting back to the Prime Minister on what they believe in. It is appropriate for the federal government to meet and speak with the Canadian people. We talk about a bottom up approach to health care. Everyone agrees we need to know what people think.

Decisions in health care have always been made between governments and through discussion among governments in the health ministers' forum. It is very rare that the people of Canada get an opportunity to have an ongoing dialogue. This is putting the health care system into the hands of the people and letting them describe a vision for Canada as opposed to governments describing a vision for health care in Canada. I believe this is extremely appropriate.

Nothing in this interferes with the parallel meetings that occur constantly between deputy ministers of health in every province and the deputy minister of health in the federal government, and between ministers of health of every province and the federal Minister of Health. They are parallel. They are government to government. They discuss what governments can do.

• (1355)

This is important. Health care is a three–legged stool. That stool comprises the consumer, the Canadian public, who uses those services, the provincial governments which provide, manage and administer those services and the federal government which has been given the mandate under the Canada Health Act to ensure the five principles of Canadian medicare are kept. One leg of that stool has been pretty shaky. No one has bothered to talk to that leg for a long time.

The Prime Minister has said it is important for the people of Canada to speak about their vision. This is extremely appropriate if we see Canada as one country.

[*Translation*]

Mr. de Savoye: Mr. Speaker, you will permit me to disagree completely with my hon. colleague's remarks.

Health is a provincial matter. If the federal government wants to keep an eye on all the provinces, it should not go through the people of the provinces, but through the governments, whose job it is to administer the system within their province. When you start short–circuiting the authority of the individual provinces and going directly to individual citizens, you are short–circuiting a process that is normal, natural and desirable, because it is practical and necessary. You mess up the whole thing.

In June 1994, a journalist called me and asked me about the forum. I said it was window dressing. I say the same thing today, almost two years after the speech from the throne, this forum has served absolutely no purpose. We have not made any progress, and the provinces are increasingly aware that they are being given responsibilities and deprived of the means to carry them out. This is both unfair and inefficient, and, in the final analysis, the provinces will have the last word, because common sense always prevails.

The Speaker: It being two o'clock p.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN VETERANS

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, the past year we watched Canadian veterans return to the Netherlands to places they had fought and where many of their comrades laid down their lives in the defence of freedom. These veterans were greeted as the heroes they are. Dutch children have been taught about the Canadian sacrifice to liberate their country.

It is imperative for Canadian children to learn those same lessons. This week is National Veterans' Week. My home province of Newfoundland has also signed a proclamation declaring this Remembrance Week, the first province to do so. The flag of remembrance will be flown outside schools and municipal and provincial buildings across our province.

These tributes are important. We must take the time to remind ourselves and to teach our children about the courage and sacrifice of Canada's veterans.

In wartime and in peacekeeping missions around the world they have left a legacy of which we can be extremely proud.

* * *

[*Translation*]

CANADIAN ARMED FORCES

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the latest information on the practices of the former Airborne Regiment in Petawawa is distressing. The revelation of more and more repugnant practices by former members of the Regiment not only tarnishes the reputation of Canada's armed forces, but indicates that a significant change must take place within the armed forces.

How could anyone tolerate a celebration of the anniversary of the massacre of 14 innocent women at l'École polytechnique? These sordid celebrations are an insult for and an attack on all women.

I call on the Minister of National Defence to act quickly to put an end to the unacceptable behaviour of the Canadian armed forces, which, it would appear, took place with the approval of higher ranking officers. Women are entitled to a public apology.

* * *

[*English*]

ARMED FORCES PENSIONERS/ANNUITANTS ASSOCIATION

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the Armed Forces Pensioners/Annuitants Association contracted a group dental insurance plan, but only under the proviso that monthly premiums be deducted at source.

The request to do so went to Treasury Board in October 1993. Only after many follow-up inquiries did the minister, almost two years later, finally agree to consider the pension deductions.

However, planned implementation could be no sooner than the summer of 1996 and at an estimated cost of "no less than $100,000" for system development.

Treasury Board already processes payroll deductions for income tax, union dues, United Way campaigns, Canada savings bonds and other insurance plans. The software programs are in place and do not require the massive rewrites suggested by the minister.

The association is willing to pay reasonable administrative charges so there would be no cost to the taxpayer. Rather than letting his bureaucrats place unreasonable impediments in the way, the minister should direct Treasury Board to provide this service to a group of people who simply wish to protect their dental health.

S. O. 31

CANADIAN UNITY

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, I congratulate the people of Quebec for the patriotic and historic decision they took last week by opting to remain in Canada. Fellow Canadians living outside Quebec are grateful for this expression of confidence.

At this time I also express my personal gratitude to the constituents of my riding who travelled with me by bus to Montreal on Friday the week before, and to the more than 50,000 South Asians living in Montreal and elsewhere in Quebec who worked with me over the past two months on the Canadian unity campaign. To all of you I say your efforts are deeply appreciated by all Canadians. The dedication and tireless efforts to serve your host country will long be remembered.

Finally, it was a pleasure to work with the various South Asian community leaders in Quebec during the referendum campaign. In a true sense you have made Canada strong and free.

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TAKE OUR KIDS TO WORK DAY

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, as members may be aware, this Wednesday is Take Our Kids to Work Day.

Sponsored in part by the federal human resources department, 150,000 grade nine students from across Ontario will spend the day at the job of a parent, relative or other adult. This program is an integral part of the grade nine program and is supported by a majority of school boards across Ontario. Through direct experience it shows young people how important skills, training and education are to their success.

Today I have a constituent, Natalie Martz, shadowing me on the job. I am pleased to participate in such a valuable program and I encourage all members who have the opportunity to do so.

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[*Translation*]

RADARSAT

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, Canada has just launched Radarsat, its first earth observation satellite. With Radarsat, Canada undertakes a new international business venture using satellite imagery to monitor our environment and manage our natural resources.

In addition to providing us with exclusive images of our planet, Radarsat will allow us to follow the movement of ice in the Arctic, monitor the risks of forest fires, and detect pollution in coastal waters.

Radarsat is among the first symbols of the evolution of our knowledge–based society. It also provides concrete evidence that space science can have major commercial benefits on earth.

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ANNE BEAUDRY–GOURD

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, last Friday, the audience at Place des Arts in Montreal witnessed the triumph of the human spirit and the overcoming of physical barriers to success.

At 75 years of age, Anne Beaudry–Gourd became the oldest graduate of the University of Quebec in Montreal when she received a Master's Degree in death studies.

This great achievement comes after Mrs. Beaudry–Gourd raised nine children, cared for a sick husband, hosted the radio program *Au pays des livres* in the Abitibi region for several years, founded the two municipal libraries in Rouyn and Noranda, and won a literary prize with, among other things, an article on the German writer Gertrude von Lefort.

Mrs. Beaudry–Gourd succeeded thanks to her great determination and tremendous potential. Congratulations to a much loved and admired woman.

* * *

NEW BRUNSWICK PREMIER

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, Premier McKenna is on a mission in western Canada. He wants to explain to his colleagues that the distinct society clause to which the Prime Minister of Canada and he himself are referring is indeed the meaningless concept set out in the Charlottetown accord, even though this accord was rejected by a majority of Quebecers and Canadians.

To support his arguments, he can also remind those unfamiliar with constitutional wrangling of the key role he played in killing the Meech Lake accord. Despite Mr. McKenna's assurances on the purely symbolic value of the distinct society clause, the premiers of Ontario and western Canada are incapable of recognizing, even half–heartedly, the existence of the people of Quebec.

• (1405)

Since we know that two out of three Canadians do not want to reopen the constitution, Quebecers will quickly realize that the vague promises of change and the McKenna–style machinations in favour of distinct society are nothing but a ruse, and that real change can only be achieved through Quebec sovereignty.

[*English*]

PRIME MINISTER

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, in opposition Jean Chrétien told minister Kim Campbell that—

The Speaker: I ask the hon. member to refer to present members in the House by their riding or title.

Mr. Stinson: In opposition, leader Jean Chrétien—

The Speaker: The hon. member for Burnaby—Kingsway.

* * *

INDONESIA

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, December 7 of this year will mark 20 years since Indonesia illegally invaded East Timor and began a campaign of genocide and human rights violations. This November 12 will be the fourth anniversary of the Dili massacre.

Over the past two months repression has intensified as Indonesia tries to suppress protest in advance of these anniversaries and before the upcoming visit of the United Nations High Commissioner for Human Rights. Several hundred people have been arrested and it is feared they are being tortured. Others have been killed.

Given all of this, it is totally inappropriate for the Minister for International Trade to be planning a trade visit to Indonesia for November 11 on his way to the APEC summit in Japan.

This trip by the Minister for International Trade on the very eve of the Dili massacre anniversary demonstrates once again the complete moral bankruptcy of Canada's foreign policy.

I urge members of the House to support the New Democratic Party's proposal to end Canadian aid and arms sales to the Government of Indonesia and I urge the minister to reconsider his visit.

* * *

FIRST NATIONS

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, I rise today to ask my colleagues to join with me in congratulating these aboriginal Canadian communities: the James Bay Cree, the Walpole Island First Nations and the Sanikiluak Inuit community.

Recently these three communities were honoured by the United Nations for their achievements in overcoming great hardships to improve the quality of life of the members of their communities.

As recipients of the United Nations award "We the Peoples" our three aboriginal communities were held up as models to others facing hardships. The award serves as a testimony to the

ability of communities to come together under a common banner to promote positive change in the harshest of circumstances.

I thank the peoples of the James Bay Cree, the Walpole Island First Nations and the Sanikiluak Inuit community for reinforcing our hope and resolve in bettering the lives of aboriginal Canadians from coast to coast.

* * *

THE LATE YITZHAK RABIN

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, one who kills in the name of morality kills nothing except one's own morality.

The world has suffered the loss of a great peacemaker. Mindless violence has claimed a leader whose foresight and courage led his nation from the twisted path of endless conflict and pointed it toward the road to peace.

I was honoured to nominate Prime Minister Yitzhak Rabin for the Nobel Peace Prize in January 1994 and overjoyed when he was awarded that honour in December 1994.

Yitzhak Rabin was a soldier who fought for his country and yet he grew to realize that the only solution was to become a soldier for peace. He survived conflict as a soldier but died as a soldier of peace.

When I met him last year in Canada he promised he would continue to work toward a lasting peace.

I extend my deepest condolences to Mrs. Rabin, her family and the nation of Israel.

* * *

THE LATE YITZHAK RABIN

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, this evening at the Beth Israel synagogue in Peterborough people of all faiths will be meeting to mourn and remember Mr. Yitzhak Rabin.

I met Mr. Rabin once. He impressed me greatly.

Israel is an extraordinarily democratic nation. The struggles of the great majority of Israelis to solve their enormous problems through the democratic process are an example to us all.

Mr. Rabin's career was a key thread in the fabric of a democratic Israel from its birth to today. He showed us the path of moderation is not a soft option. It is a tough road beset by the pitfalls and traps of extremists. It is a path often shrouded by the fogs of apathy.

• (1410)

Our thoughts are with Mr. Rabin's family and the state of Israel at this difficult and tragic time.

* * *

THE ECONOMY

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, the government's head in the sand approach to running the country must stop. Our debt is $567 billion and Stats Canada reports the October jobless rate increased to 9.4 per cent.

The Pollyannas across the way no doubt have been told: "Don't worry, be happy; the economy is improving". The 65,000 new entrants into the job market will not be happy until they find a job.

The increase would have been even higher if it were not for the spinoff from the resurgence of the U.S. economy. While the Prime Minister and his cabinet were perfecting their do–nothing routine during the referendum, they failed to realize the status quo approach to the economy will bring Canada even closer to financial collapse.

The minister of HRD's orchestrated leaks about new job creation schemes show he is still clinging to the socialist notion that governments can create jobs. History has proven this approach to be an unmitigated failure.

Why does the government not get out of the way so the private sector can create some real jobs?

* * *

[*Translation*]

TRAGIC DEATH OF PRIME MINISTER OF ISRAEL

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, following the tragic death, two days ago, of Yitzhak Rabin, Israel and the whole international community have lost a great statesman.

Yitzhak Rabin was one of the main architects of the peace process in the Middle East. His death must not end the hope for lasting peace between Israel and its Arab neighbours.

Yitzhak Rabin was like a reflection of his country and of the whole Middle East. Born in a country under foreign control, he fought for national independence before becoming his country's defence chief of staff, and eventually ambassador, prime minister and peacemaker. It is thanks to his dedication to peace if, in recent years, we witnessed a rapprochement between Israel and its Arab neighbours.

More than anything else in his distinguished career, Yitzhak Rabin will be remembered as a man of peace who was loved by his people, by neighbouring nations, and by us all.

[*English*]

THE LATE YITZHAK RABIN

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, only two years ago Israeli Prime Minister Yitzhak Rabin proclaimed to the world: "Enough of blood and tears. Enough".

Today citizens of the world remember those courageous words as they mourn the tragic loss of this great peacemaker. It is indeed ironic that a man of peace should be taken from the world so violently.

Today as we mourn his death we also celebrate his life. We shall continue to remember him for the legacy he has left behind: peace in the Middle East which will be treasured by every child who comes of age in a better world.

Mr. Rabin knew the soul of his people and his people came to him for leadership in war and in peace.

As we grieve with his family and his nation, let us resolve that his death shall not still the life of peace.

* * *

THE LATE YITZHAK RABIN

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, when a man of war becomes a general of peace, we have surely witnessed a miracle. When a man can turn a hawk into a dove, we have surely witnessed a miracle. When a man can learn to give instead of take, we have surely witnessed a miracle.

This miracle will be remembered as Yitzhak Rabin. The history he has written will become a beacon of hope, a symbol of peace, a miracle of humanity for all the world to share.

As but one who has watched his leadership and listened to his words, I share the grief, I feel the sorrow and I know we have lost someone rare.

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GOVERNMENT SPENDING

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the first set of supplementary estimates was tabled last week and with these estimates the government is proposing $936 million in new spending; spending that only six months ago was unforeseen, unimagined and completely unanticipated by the government.

I am appalled by some of this spending. The government's failure to collect information and its efforts to hide information have led to an expensive Somalia inquiry budgeted at $7.4 million. This could have been, would have been and should have been avoided if the Department of National Defence had done its job correctly.

There is a $4 million subsidy to Canada Post Corporation for providing services to the north. I thought Canadian postage rates are supposed to pay for delivery everywhere in Canada. Does Canada Post need an additional $4 million subsidy to do the job it is already paid to do?

* * *

• (1415)

PHARMACY AWARENESS WEEK

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to rise today to bring to the attention of all Canadians that November 1 to 7 is Pharmacy Awareness Week.

Each year there are 12,500 deaths, two million lost work days, and $150 million in lost earnings in Canada because people do not take their medications properly.

The purpose of Pharmacy Awareness Week is to recognize the important role pharmacists play in health care, particularly in the use of medication. It also serves to encourage a dialogue between pharmacists and their patients on the proper and safe consumption of prescription drugs. Pharmacy Awareness Week is an opportunity for patients and pharmacists to reduce the risk involved with unsafe medication consumption.

I recognize the efforts of pharmacists in the field of health and I encourage them to continue their efforts to ensure that medications and their proper use continue to improve the good health of all Canadians.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last Wednesday, in response to a question, the Prime Minister said he was in favour of a veto right, not for the Government of Quebec but for Quebecers.

When asked about this last week, both the Minister of Intergovernmental Affairs and the Deputy Prime Minister were unable to explain what the Prime Minister meant.

Could the Minister of Justice explain what the Prime Minister means when he talks about a veto right for Quebecers?

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, last week we said that the best way by far to give Quebecers the veto was to proceed with the good government we had started to put in place and implement the changes and reforms that were clearly demanded by the public. That was the best way to prevent the next referendum.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I directed my question to the Minister of Justice because I thought that directing it to the Minister of Intergovernmental Affairs would not give us more of an answer than we had last week.

I will again put my question to the Minister of Justice. Could he confirm his government's plans to table legislation in the House of Commons authorizing federal referendums in five regions in Canada, including Quebec, for the purpose of amending the constitution?

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, obviously the government speaks with one voice, whether it does through the Prime Minister, who is in charge, the Minister of Justice or myself. Furthermore, the questions now being asked by the hon. member for the opposition are about purely speculative matters on which the government is not prepared to commit itself.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we will keep trying to find out a little more about the vacuum that exists on the other side.

Does the Minister of Justice realize that this plan to hold federal referendums that might amend the Canadian constitution means that his government intends to go over the head of the Quebec National Assembly, as it did in 1982?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the purpose of a referendum is to find out how the public feels. We know how the public feels. People want to stay in Canada, and they want changes made within Canada. They expressed their opinion. It is over. Because we believe in democracy, we concluded that their no was a real no, and we are acting on that basis. That is why we are going to put reforms in place in Canada.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the Minister of Justice refuses to rule out, as a scenario for amending the constitution, the possibility that the federal could hold its own referenda in the five regions of Canada, including Quebec.

My question is for the Minister of Justice. In this context, are we to understand that the right of veto for Quebecers the Prime Minister of Canada referred to would consist in violating the authority of the Quebec national assembly by flouting its prerogative to hold its own referenda?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Everyone but the Minister of Justice answered, Mr. Speaker.

My second question is for the Minister of Justice. Is this federal initiative not an indication that Ottawa is trying to pave the way for another dirty trick like the one it played on us in 1982 by amending the constitution without the consent of the Quebec national assembly? They are at it again.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

* * *

• (1420)

[*English*]

SECURITY OF PRIME MINISTER

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, all Canadians were shocked to hear of the break-in at 24 Sussex Drive on Saturday night.

The Prime Minister deserves to be protected. He must be protected, especially in his own home. The more Canadians learn about this, the more outraged they are at this breach of security.

I ask the Solicitor General of Canada, where in the world did our security system go wrong on Saturday night?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Madam Speaker, this is a very unfortunate situation.

I met with the commissioner yesterday and discussed it with him again this morning. I can confirm that I have asked for a full investigation and he has agreed that such an investigation be carried out into the security of the Prime Minister and that of all official residences.

A full investigation is being carried out into this incident by a senior officer of the RCMP not connected with the management of the security system. The purpose of this investigation is not only to find out what happened but to make sure it does not happen again.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the minister says it was an unfortunate incident. In fact it was terrifying. I have sympathies for Mrs. Chrétien, who went to the door and found such a frightening thing. It is not acceptable that it just be deemed unfortunate, especially on the heels of the tragic murder on that same day of the Israeli Prime Minister.

It took the RCMP almost 10 minutes to respond. If Mrs. Chrétien had called the fire department, their response time would have been three and a half minutes. Why did it take so long?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have already pointed out that this incident is totally unacceptable. The commissioner of the RCMP had a

press conference earlier today and expressed his shock and dismay at what happened.

Obviously a full investigation has not been completed. It would appear that the RCMP officers on the site did not follow procedures. Instead of moving immediately to the house, they surrounded the house before going in and arresting the person who had broken into the house and placing him under control.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, platitudes and investigations and all these kinds of things are one thing, but Canadians are demanding more. They are demanding action, not just reports and tabling of reports. They do not feel safe in their own homes. Now they find out that their Prime Minister is not safe in his.

How can the solicitor general assure Canadians that this government has taken immediate steps so that this will never happen again? Will he commit today to tabling the report that is brought forward so that all Canadians can look at it?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the report is going to be made to me by the commissioner. I will review it. To the extent that information can be made public without undermining security, I will certainly attempt to bring it forward to this House.

I can also confirm to this House that enhancements and improvements to the security at 24 Sussex have already been made. The RCMP and the government are not waiting for the report before making necessary improvements in security.

Above all, this incident is shocking and dismaying. It is unacceptable. As far as I am concerned, everything possible will be done to make sure it never happens again.

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[*Translation*]

THE CONSTITUTION

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is for the Minister of Justice.

Saturday he confirmed that the federal government is opposed to any constitutional recognition of the distinct status of Quebec and that it is preparing instead to table in the House of Commons a simple and inconsequential resolution which will not change anything concretely for Quebec.

Are we to understand that the fact that only one Canadian out of three outside Quebec would be prepared to modify the constitution explains the federal intention to offer Quebecers only a simple resolution on the distinct society which will serve no useful purpose to the men and women of Quebec?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I never said that, but it is our intention to respect the Prime Minister's commitments.

• (1425)

As my colleague stated today, the most important thing is to ensure good government; then another referendum campaign will not be necessary.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I appreciate the reply by the real Minister of Justice. But I must regret the lack of insight in his answer, which lead to my supplementary question.

Because two out of three Canadians are opposed to reopening the constitution, will the Minister of Justice admit that the only true path to change for Quebecers is the sovereignty of Quebec?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): No, Mr. Speaker.

* * *

[*English*]

NATIONAL UNITY

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, polls over the weekend indicate that in the wake of last week's no vote a strong majority of Canadians, both inside and outside Quebec, feel that the country should be more decentralized. The polls also indicate that support for a distinct society clause is weak and that such a clause would likely run into problems if the government tries to introduce it.

Given these sentiments, will the government commit to abandoning the distinct society clause?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we have made it clear that we intend to proceed with the engagements taken by the Prime Minister during the course of the referendum. We intend to respect those.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the answer is a little vague, but let us try to pin it down a bit more.

Will the minister not agree that rather than trying to enshrine a distinct society into the Constitution, if that is what is meant by the answer, legitimate aspirations of everyone can be met through the devolution of powers for language and culture from the federal to all provincial governments without the need for constitutional change?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, Canadians made it clear, both Quebecers who voted in the referendum and other Canadians across the country, that they want governments that

embrace change and governments that are prepared to challenge the status quo.

We are the government that over the last two years has not only challenged the status quo, we have laid out a path for harmonization to make sure that governments that can best deliver to the people are the governments that are in the position of doing so. We believe that process should continue.

We challenge the status quo. Unfortunately, the two parties that seem to hide behind the status quo are the Bloc Quebecois and the Reform Party.

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[*Translation*]

REFERENDUMS

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, last week as he left a cabinet meeting, the Minister of Justice clearly raised the possibility of dusting off an ancient federal power of disallowance which has not been used for more than half a century or going before the courts to stop Quebec if someday it wanted another referendum on its political future.

My question is directed to the Minister of Justice. Could the minister confirm that he intends to use the power of disallowance which, according to the Supreme Court, has become obsolete, to prevent Quebecers from voting democratically on their political future?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the real question, the most important one for the future, is good government for Canada. The Prime Minister promised to provide good government for Canada. Constructive changes in the government's administration have been discussed, and once these are implemented, we are confident there will be no need for another referendum campaign in the future.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, if I understood correctly, the Minister of Justice does not deny what he said last week, so I am back with a supplementary.

Does the Minister of Justice not think it was indecent to consider resurrecting the power of disallowance or going before the courts to silence the voice of the people of Quebec?

• (1430)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the questions last week about constitutional powers were technical but the concerns of this government are not only about constitutional powers but about this government's responsibility for political stability in Canada. The source of that stability is good government.

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is kind of sick to think that the Conservative and Liberal governments over all these years have raised the debt in this country to $567 billion.

On the very day of the referendum, the government quietly tabled legislation to increase Canada Mortgage and Housing Corporation's loan liability by $50 billion, from $100 billion to $150 billion.

I would like to ask the minister of public works why is this government adding a further $50 billion liability to this country and an already overburdened economy, thereby expanding the government's authority in the area of housing?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I am not surprised at the question from the hon. member who continues to show a lack of understanding of the various programs operated by the Government of Canada.

In the premise of his question, once again the hon. member alludes to facts which are incorrect. The hon. member and all hon. members should know that this fund is self–sustaining. There are no appropriations from the Government of Canada for this fund. In point of fact over 330,000 Canadians have benefited from this program.

I would suggest to the hon. member that once in a while he should get his facts straight.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I guess after the rough ride the minister had this summer he wants to get back. That is interesting.

There are two types of liability in this country. One type is on the books of the government and the other rest in the 24 seats in the front here.

I confirmed with the vice–president of finance for CMHC that if any of these mortgages are defaulted they are a liability against the government. Perhaps the minister missed that idea.

Will the minister commit today to introducing legislation to guarantee exclusive provincial control of housing, and if not, why not?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the answer to the first part of the hon. member's question is no. The reason is that unlike the third party, the government does not have an ideology that the role of the national government is to be a Visa or Chargex for provincial governments.

We believe there ought to be a role for the Government of Canada in the affairs of the nation. Such a suggestion which has been proposed by the hon. member is not shared by other members of his own party who are asking the government to put more money into housing programs across the country.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, my question is for the Solicitor General.

As my colleague from the Reform Party pointed out, an individual armed with a knife broke into the Prime Minister's official residence with disconcerting ease, thereby highlighting the shortcomings of the security system designed to protect the Prime Minister and all other Canadian parliamentary leaders.

How can the Solicitor General explain the fact that an individual was able to break into the Prime Minister's residence so easily, and does this come as a surprise to security officials?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, a complete review of the security measures to protect the Prime Minister and the official residences is currently under way.

• (1435)

Security measures have already been tightened, and once this review is completed, I will receive a report, in light of which we will take all the measures required to prevent such incidents in the future.

Mr. Bernard Deshaies (Abitibi, BQ): Does the minister promise to table in this House the results of this internal investigation?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I do not think the House would want the report to undermine in any way the security measures for the Prime Minister's residence. So, as I just said, I will do what I can to disclose the content of this report, but it may be impossible to release all the information, at the risk of undermining the security measures. I think that priority must be given to the security measures required to protect the Prime Minister and his family.

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[*English*]

MIDDLE EAST PEACE PROCESS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, Canadians are shocked and saddened by the tragic death of Prime Minister Yitzhak Rabin of Israel. They are also concerned about the future of the peace process and our role in the Middle East.

Will the Minister of Foreign Affairs tell the House what role Canada has played and what future role we will play in the Middle East peace process?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, indeed we are saddened by the tragic and senseless death of Prime Minister Rabin. It is a tremendous loss for the peace process of a man who dedicated his life to his country and gave tremendous impetus to the peace process.

Canada has been a full supporter of the peace process and is playing an important role as chair of the refugee working group. Canada believes there will not be full peace in the region until the question of refugees is totally resolved. Canada will continue its efforts in this regard.

We hope that despite this great loss and tragedy the work engaged in and started by Prime Minister Rabin will be pursued and that all of Israel's neighbours will sign and agree to lasting peace in the region.

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INDIAN AFFAIRS

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the Penticton Indian band and the British Columbia government have failed to reach an agreement regarding the Green Mountain Road, a federally owned road. Yet another Indian band in British Columbia is poised to set up roadblocks and the band has threatened violence.

We have been constantly asking the government to exercise its constitutional duty to be responsible for Indians and lands reserved to Indians.

What is the Minister of Indian Affairs and Northern Development going to do about the situation?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, there is the B.C. treaty process which was really a creature of the present leader of the Reform Party in B.C. when he was a member of the other government in cabinet. We have to make it work. We have put a lot of money and lot of time into it. That deals with related issues.

The hon. member knows because we have discussed it that on roadblocks all kinds of other issues come in. The roadblock is used per se, almost as a bargaining tool for land, for the Penticton lodge, for all of these things. We have to keep those in the B.C. treaty process or we will destroy a process that we both support. It will not work unless we go to that process.

Specifically on roads, I met with the B.C. minister of transport Jackie Pement for an hour just before question period. We are trying to set up a process where we can work collectively if it is a road issue. If it is a broader issue we are trying to encourage the First Nations to go to the table. Otherwise, if there is success on all the issues just because there is a roadblock, there will be

more roadblocks and the 70 per cent of the First Nations of B.C. at the B.C. table will walk away.

• (1440)

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the minister knows full well that there is no roadblock at this particular point.

I have spent the past two weeks personally seeking out the minister in an attempt to have him do something about this situation. The British Columbia government is helpless. Its hands are tied. Canadians have already learned that the federal government's inaction was a major cause of the Oka crisis. The B.C. government has been consistently reminding the federal government of its duties and responsibilities.

Will the minister take action now and prevent another Gustafsen Lake?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I disagree with the premise. We are working positively with the B.C. government and it is doing fine work.

In October 1993 we came into office. In December 1993 we opened up the office of the B.C. Treaty Commission. No other government before us was able to do that.

We have worked 10 solid weeks to get the formula which members have seen in the paper in the last few days and it is getting there for the B.C. treaty process. We are close to settling the Nisga'a. We deal positively on all matters.

My problem is not with the B.C. government; my problem is with the Reform members who come from B.C. and refuse to address the issues.

* * *

[*Translation*]

COPYRIGHT

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Following a question asked on May 15 about copyright, the hon. member for Saint-Hubert was finally told, five months later, by the justice minister that he would transmit her question to the ministers responsible, namely the industry and heritage ministers.

Given that Quebec and Canadian composers, authors and performers have been waiting eleven years for this bill, will the Minister of Canadian Heritage pledge to table this legislation in the House as soon as possible?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is perfectly normal to have several ministers involved. There is of course the Minister of Justice, since the bill must be drafted by his department. There is also the Minister of Industry, since he is responsible for the Copyright Act. And, finally, there is the Minister of Canadian Heritage, who is responsible for proposing amendments to the act.

The three ministers work together, make decisions together, and will get results together. As for the duration of the process, I publicly stated on several occasions that we are going as fast as we can, that the issue is complex, and that the bill will be tabled in the House as soon as it is ready.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I have a supplementary.

Will the Minister of Canadian Heritage make sure, through the copyright bill, that the rights paid to creators will not be reduced by providing numerous exceptions?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, we have to find a good balance between the rights of creators—we are establishing new ones—and the rights of users. This is the real issue. This is where we have to find a balance, and the hon. member will see how we do it when the bill is tabled.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, we spent the last few weeks discussing Quebec sovereignty in the House. I think it is high time that we turned to another sovereignty issue and that is Canada's failure to assert sovereignty over the Northwest Passage in the Arctic.

On June 13 the minister told the Standing Committee on National Defence and Veterans Affairs that the United States informs Canada when its nuclear submarines travel under Canada's Arctic ice.

Will the minister confirm the existence of this, as he put it, novel diplomatic arrangement, when it was signed and whether similar agreements exist with other countries?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have a number of bilateral agreements with the United States. One of them provides for the movement of U.S. vessels in Canadian waters upon agreement of such a manoeuvre.

When the U.S. requires such permission, they let us know that they intend to use our waters and we acquiesce.

• (1445)

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, if the minister is speaking about the 1988 agreement he will know full well that agreement only covered surface vessels such as icebreakers and not submarines.

It is ironic that Canada as a world leader in acoustic technology does not even monitor subsurface use of our Arctic waters.

Will the minister provide us with a timetable today for the installation of the promised Arctic subsurface surveillance system in the Northwest Passage.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is one measure that was foreseen in the white paper. It is a matter that officials are working on.

It is a very expensive proposition and any move toward implementing the system for underwater detection in the high Arctic has to be made within the financial constraints of the government and the department's budget.

* * *

TRADE

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, my question is for the Minister of Finance. I come from a region where small and medium size businesses compete not only directly with one another but also with American businesses across the border. These American businesses have an advantage because of the so–called free trade zones.

Could the minister tell the House what measures he has taken to allow Canadian businesses to compete more effectively in the international market?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, Bill C–102, designed to amend the Customs Act, has exactly that purpose in mind. It will encourage businesses to locate in Canada. It contains improvements that will streamline the duty deferral program and will make programs more user friendly and accessible. It will remove administrative restrictions and will ease cash flow pressures by providing as much up front duty relief as possible.

Regions, municipalities and businesses will be able to co–operate as a result in promoting their communities because a critical component of the bill encourages partnerships to encourage economic development.

I congratulate the member for St. Catharines because he has been a leading proponent of many of the initiatives in the bill.

* * *

[*Translation*]

CANADIAN ARMED FORCES

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of Defence. Last week, we learned that, on two separate occasions, members of the former regiment from Petawawa organized dinners to celebrate the massacre of 14 innocent victims at l'École polytechnique. A 14–round salvo was even fired.

Will the minister confirm that the Canadian Forces private who organized these dinners has since been promoted to Master Corporal?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this allegation was raised at the hearings of the Commission on Somalia and we will look into it.

[*English*]

This allegation was raised at the hearings of the commission on Somalia last week. We are looking into the matter, but I can say on behalf of the government that if indeed this were true it was totally unacceptable, totally abhorrent and something we will not tolerate.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, does the minister not agree that every promotion granted to any CFB Petawawa official, for example that of Colonel Peter Kenward, should be cancelled or suspended for the duration of the inquiry?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, what I am prepared to do is when I receive a report on the allegations and if indeed they are verified, I will submit the report to the commission.

It will be made public at that time and may therefore have some relationship with respect to its ultimate deliberations.

* * *

IMMIGRATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, last year when the minister of immigration introduced a document entitled "A Broader Vision", it acknowledged that defaulted sponsorship obligations cost Canadian taxpayers close to $700 million in 1993. The minister announced that initiatives would be introduced in five areas to reduce that amount.

Could the minister advise the House whether these initiatives have been successful and has the taxpayers' burden to default sponsorship been reduced?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as the member may know, the Peel project has started in earnest. It is working well. We are finding out information that will no doubt prove useful to an eventual position that the government will take.

We have struck a committee that liaises with all provincial governments. They too are very supportive and collaborative.

• (1450)

It is our intention before the House of Commons rises for Christmas to have a final response on the whole question of family sponsorship.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, in 1989 Mohammed Assaf sponsored his brother and family to settle in Alberta. Since then Alberta taxpayers have shelled out $40,000 in welfare payments to support the family.

Assaf then attempted to sponsor his second wife to Canada and was refused by immigration officials. He decided to go to the IRB that in turn ruled that Assaf did not have to pay his first obligations before sponsoring his second wife.

How will the minister accomplish the task of reducing sponsorship defaults when the IRB is telling sponsors that it does not make any difference whether or not they repay those defaults?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, unlike the Reform Party that uses a negative, cynical case analogy or example, we prefer to deal with issues on a national basis with some degree of thought, due course and reflection. We will not be deterred by listening to comments on the floor of the House of Commons about individual cases.

We can always learn from cases whether they are in my portfolio or anywhere else, but we would be wrong if we looked at one case, generalized and made it applicable to all immigrants or refugees coming to Canada. We will not engage in a small kind of world that simply tries to create perceptions which may not be true. Let us deal with facts. Let us find solutions that work.

I ask my hon. colleague if she would find the time and place to come on board with that kind of attitude rather than negatively parade individual cases before the House and then extrapolate from them irresponsibly.

* * *

CANADIAN NATIONAL RAILWAY

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, the legislation which privatizes CN guarantees that Montreal will always be the headquarters of CN. The Transcona shops have just as proud a place in the history of CN as Montreal does, yet many are worried that Transcona is slated for extinction given the 485 layoffs on Friday last and the 266 before that in September.

My question is for the Deputy Prime Minister or for the Minister of Human Resources Development answering in his capacity as regional minister. Will the minister now, in the interests of regional fairness and national unity, instruct CN either administratively or legislatively to stop the decimation of the Transcona shops, to keep Transcona as CN's main repair shop and to ensure the Transcona work is not siphoned off to CN's wholly owned subsidiary in Montreal, AMF, or anywhere else for that matter? Will the Liberal government give Winnipeg the kind of guarantees that Montreal has received?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I thank the hon. member for his question but I think he ought to get the facts straight.

The jobs being lost at Transcona in Winnipeg are only of a temporary nature. Therefore to assume that these are permanent layoffs by Canadian National would be inappropriate.

The hon. member would know that CN is on the brink of its commercialization and privatization. It needs to get its house in order so that it can be a competitive and viable railroad, providing service from sea to sea to sea and providing employment to all Canadians across the country.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, will the government give a guarantee that the recall date will be honoured and that the recall date is not just a way of appeasing employees?

Will the government answer my first question? Why guarantees for Montreal and no guarantees for Transcona and Winnipeg that have just as much a place in CN as anyone else?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, again I tell the hon. member that the layoff notices are temporary.

I am sure as CN moves toward privatization it will become much more efficient as a national railroad in the country. In fact there will be future job opportunities for everyone in Canada, not only in Quebec but in Winnipeg, B.C. and Atlantic Canada.

* * *

EMPLOYMENT

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

• (1455)

Last Friday new figures were published by Statistics Canada showing continued full time employment growth in the Canadian economy. Given the concern of some Canadians that the government is not doing enough to fulfil its jobs and growth agenda, could the Minister of Human Resources Development explain the latest changes particularly as they affect my province, Manitoba, and young Canadians today?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, amidst the tumultuous events of last week a very important milestone was not properly recognized.

The government has now served two years since it was officially elected by the people of Canada. The most appropriate way to celebrate that event is to point out, with the employment statistics released on Friday, that since the election over 500,000 full time permanent jobs have been created in Canada.

In particular it is important to point out that last month alone 46,000 jobs were created for young people, which is the highest increase in one month for young people since June 1986.

I am happy to report that in the province of Manitoba, which I share with the hon. member—

Mr. Cummins: Time.

Mr. Morrison: Order.

Mr. Axworthy (Winnipeg South Centre): They just do not like to listen to good news; that is their problem. They are just the Bad News Bears.

I will simply conclude by saying that the figures show there is still a lot of work to do. There are still far too many unemployed people in Canada. We have now shown that the foundation has been laid and the next two years will be even better.

* * *

[*Translation*]

AMATEUR SPORT

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In about 40 per cent of international competitive sports, national coaching certification training programs are given in English only. It is obvious that, in amateur sports, there is discrimination against francophones even in elite coaching training.

How does the minister explain that a mere 14 per cent of all Canadian coaches trained for international competition are from Quebec and that coaching training courses for 40 per cent of competitive sports, including biathlon, hot dog skiing and synchronized swimming, are offered exclusively in English?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, responsibility for the training of coaches as well as athletes rests with specialized agencies and not with the heritage department. However, if my colleague cares to provide me with details, I will, of course, be delighted to take a look at them.

[*English*]

CANADA HEALTH AND SOCIAL TRANSFER

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister would know that as an unintended result of the block transfers for the Canada health and social transfer many of the Canadians who are most vulnerable or who feel most vulnerable are Canadians with disabilities.

To date Canadians with disabilities have not yet been assured that there will be consultation with the provinces to ensure that persons with disabilities will not be financially affected by the Canada Health and Social Transfer Act. Would the minister make those assurances today?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for his question.

I know the hon. member would be interested that on Thursday I will be appearing before of the Standing Committee on Human Rights and the Status of Disabled Persons. At that time I will be setting out a series of principles and directions for a disability strategy which the federal government would like to retain.

In particular, the inauguration of the Canada health and social transfer gives us a real opportunity to sit down with the provinces to work out a mutually satisfactory strategy to deal with the very important issue of disability. It gives us the opportunity to collectively work together, to share resources and to come up with a common approach we think will be beneficial to over two million disabled Canadians who are without work.

I hope the hon. member will be in attendance at the committee because I would welcome his remarks.

* * *

AIR SAFETY

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, my question is for the Minister of Transport.

Recently the Transport Safety Board released its report on the tragic crash of a Keewatin Air flight at Thompson airport in June 1994. Two people died in this crash and one was seriously injured. In light of this tragedy, can the Minister of Transport reassure northern air travellers by telling us what action he will take in response to the board's recommendations?

• (1500)

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I want to thank the hon. member for his great interest in this matter concerning northern air travellers.

As he has indicated, the Transportation Safety Board has tabled its report. Transport Canada officials are reviewing the recommendations. Within 90 days, in the middle of January, the Transport Canada minister will make those recommendations known.

I can assure the member that Transport Canada and the minister will do everything possible to ensure safety in our airlines and ensure that northern air travellers have nothing to fear.

The Speaker: My colleagues, this would bring to a close the question period.

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BUSINESS OF THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I wish to ask the House for consent. Tonight there is a vote scheduled for 6 p.m. and another one for 6.30 p.m., which now will likely be held at 6.45 p.m. In order to permit the House to save on overtime costs and to permit members to attend vigils tonight, would the House consent to taking both votes at 6 p.m.?

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

* * *

THE LATE YITZHAK RABIN

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, humanity has lost a peacemaker of extraordinary courage. Israel has lost a leader of extraordinary devotion. Mrs. Rabin and her family have lost a husband, father, and grandfather.

On behalf of the Prime Minister and the Government of Canada, I wish to pay tribute to Yitzhak Rabin.

[*Translation*]

A man of great bravery was struck down by an act of cowardice. Through their prayers all Canadians are with Mr. Rabin's family and the people of Israel. Let us hope that these prayers will bring peace to the souls of all of us who are mourning today.

Prime Minister Rabin dedicated and finally gave his life to the service of his country and his people. As a soldier and war hero, Yitzhak Rabin fought for the survival of Israel.

Tributes

[*English*]

As Prime Minister, Yitzhak Rabin pursued a future of peace and prosperity for Israelis and for all people in the Middle East. The pursuit of peace became Yitzhak Rabin's mission.

When Prime Minister Rabin was assassinated on Saturday, he had just spoken with a great sense of joy and accomplishment. What he accomplished is truly remarkable. Will any of us ever forget when Yitzhak Rabin and Yasser Arafat shook hands—a simple act of reconciliation, a profound act of destiny.

As Prime Minister Rabin said, "Our land of milk and honey has flowed with blood and tears for too long. Enough, enough." With incredible dignity and enthusiasm, Yitzhak Rabin has allowed the world to dream of the day when Israel will be at peace with all of its neighbours.

The history of Israel stretches back to the beginnings of humanity. In that struggle, we have witnessed both the barbaric acts in the history of humanity and some of the most noble aspirations of which we are capable as human beings. Prime Minister Rabin died pushing all of us to speak and to act for the better side of human nature.

[*Translation*]

The death of Prime Minister Rabin should be an inspiration to us to let our thoughts, words and actions reflect the best in our human nature. As we emphatically reject the act of cowardice that took his life away, we also have an obligation to embrace the cause to which Yitzhak Rabin was dedicated.

[*English*]

As we act today, let us remember the history of time as Yitzhak Rabin understood that history. Let us reflect Prime Minister Rabin's understanding that it is up to us as individual human beings to shape the forces of destiny.

As we grieve for the man, let us pursue his dream. As we pay tribute to Prime Minister Rabin with our words, let us pay tribute to him with our actions.

• (1505)

Canadians continue to extend the hand of friendship to the people of Israel. We shed our tears of condolence for Mrs. Rabin and her family and we pay honour to Yitzahk Rabin for the nobility of his spirit and his actions.

Shalom, Yitzahk Rabin. Shalom, Israel.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we were all astonished and deeply saddened by the news of the assassination on Saturday of the Prime Minister of Israel, Mr. Yitzhak Rabin. Today, we want to pay tribute to a man who dedicated his life to the defence of his people and his ideals.

A joint recipient of the Nobel Peace prize, Yitzhak Rabin believed in the reconciliation of the Israeli and Palestinian people and struggled to find ways to bring them closer together. The peace accord signed by both nations shows that his efforts have borne fruit and brought hope to this part of the world. We are convinced that he did not sacrifice his life in vain and that the road to reconciliation now taken by his people and the people of Palestine will lead to a better future for all who believe in peace in the Middle East.

We earnestly hope that his violent death will not halt the diplomatic negotiations he initiated with Yasser Arafat to establish a plan for peace in the region. We firmly believe that the process started by these two leaders will prevail over radical movements that are oblivious to democratic values and condone violence.

On behalf of my colleagues in the Bloc Quebecois, I wish to express our condolences to the family and relatives of Mr. Rabin, the Jewish people, the international Jewish community including that in Quebec, and to show that we share the grief of losing a unique human being. Shalom Yitzhak Rabin!

[*English*]

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, on behalf of my leader and our party I rise this afternoon to pay tribute to the late Prime Minister of Israel, Yitzahk Rabin.

Rabin earned his reputation with Israelis as a soldier and then as a politician. His first hand knowledge of the military and his deep commitment to preserving Israel's security, first through arms and later through peace, made him undeniably one of the world's greatest statesmen.

It is well known that Mr. Rabin earned his credibility on the battlefield. However, Rabin's greatest honour and truest victory came through his pursuit of a lasting peace with his former enemies.

He sought peace not through fear but through courage, seeing it as the only hope for the future. He understood that true peace is not the absence of all differences, but genuine goodwill and the putting aside of those differences for the common good. Of the necessity for peace, Rabin said: "We should not let the land flowing with milk and honey become the land flowing with blood and tears".

Yitzahk Rabin truly believed that "the majority of people want peace and are ready to take a chance for peace". He took that chance and paid recently with his life.

Just six weeks ago, King Hussein of Jordan, President Mubarak of Egypt, Chairman Arafat, and Prime Minister Rabin signed a peace agreement on the White House lawn. In words that seem almost prophetic today, Prime Minister Rabin said: "Only poets have dreamt of this moment, and to our great pain soldier and civilian went to their deaths to make this moment possible".

He was soldier and civilian both, as well as one of Israel's greatest leaders. We hope and pray that his death, although tragic and untimely, will leave a legacy for lasting Middle East peace, for which he sought so valiantly.

Our sympathy and prayers are with Mrs. Rabin and her family. Shalom, Prime Minister Rabin.

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, Yitzahk Rabin was a soldier in war who became a soldier in peace. He fought as hard to achieve peace as he did in war. His greatest victory will unfortunately come only after his death.

The proof of the strength and durability of the move toward peace that Prime Minister Rabin created is that there can be no doubt this peace process will continue. It will continue until we reach the comprehensive peace that Mr. Rabin so eloquently lauded in the speech he gave before hundreds of thousands of Israelis demonstrating for peace last weekend, just shortly before his tragic death. There remains much to be done, but Mr. Rabin has made a start possible.

• (1510)

Together with two other New Democrat members of Parliament, Howard McCurdy and Ian Deans, I had the privilege and opportunity to meet with our Labour Party colleague, Yitzhak Rabin, in the mid–1980s. We had a vigorous exchange of views and certainly some profound disagreements, but there was a sense of openness and mutual respect.

Since his election as Prime Minister in 1992, I have been enormously impressed by his courage and determination to bring a just and lasting peace to the Middle East. As others have noted, we were all profoundly moved to see Mr. Rabin and Yasser Arafat shake hands on the White House lawn. That handshake symbolized the partnership in peace that has been forged between Israel and the Palestinians.

The member for Beaver River and the Deputy Prime Minister both quoted some of the words spoken that historic day. I would like to quote some others. He said in prophetic words: "We the soldiers who have returned from battles stained with blood, we who have seen our relatives and friends killed before our eyes, we who have come from a land where parents bury their children, we say today in a loud and clear voice: Enough of blood and tears. Enough."

[*Translation*]

On the evening of his death, Mr. Rabin made a passionate plea against violence. "Violence, he said, undermines the foundations of democracy in Israel. It cannot be condoned and must be condemned." During the weeks and months that preceded the tragedy on Saturday night, statements made by certain politicians and citizens of Israel in the course of the debate on the peace accords were not only filled with anger but showed undercurrents of violence. Yitzhak Rabin has proven that in a

civilized society, political debate, however deep its roots, must be based on respect for every individual.

[*English*]

In closing, I would like to extend condolences on behalf of myself and my colleagues in the New Democratic Party of Canada to Mr. Rabin's family, the people of Israel, and the Jewish community in Canada and around the world. We share your profound sense of anguish and loss. Remember that the Kaddish, the Jewish prayer for the dead, is an affirmation of the power of faith and hope in the midst of despair.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, like millions of people in Israel and around the world, I was shocked and saddened to learn of the tragic death of Yitzhak Rabin Saturday afternoon.

I was shocked because his death came just after he had spoken and sung for peace at a rally of 100,000 Israelis. I was shocked because his murder was completely inconsistent with the way of life in Israel, where this kind of violence has not been a means of dealing with political differences. It has not been a part of the life of that democratic country. I was shocked and also saddened that Prime Minister Rabin's own life, so filled with achievement and service, had been cruelly ended before his main work could be completed: the work of making peace between Israel and all its neighbours.

Yitzhak Rabin proved he could be successful as a leader in making war. He was proving he could be equally successful as a leader in achieving peace. He had made war to protect his country, but he wanted and preferred peace for Israel and all the peoples of the Middle East.

It has been said that Yitzhak Rabin was a martyr for peace. Therefore, the best way to honour his life and his memory is to make sure that his work for peace continues and is successfully concluded.

Just after this government took office, two years ago last week, its first official visitors were Yitzhak Rabin and his wife. I, together with my wife, had the honour of officially welcoming them to our country. At that time, in talking with him all too briefly, I was struck and impressed by his mixture of firmness, resolve, personal modesty, and his commitment to achieving his goal of peace for Israel with its neighbours.

• (1515)

There is a word in Hebrew that is used as a greeting. It is also used to say goodbye and at the same time it signifies peace, that most sublime of human conditions. Unfortunately we cannot extend a greeting to Yitzhak Rabin on this earth again, but we can say goodbye by using that word which had come to mean more to him than almost anything else. We can say shalom. Shalom Yitzhak.

The Kaddish prayer said by Jewish mourners concludes with these words: "He who maketh peace in his high places, may he make peace for us and for all Israel".

[*Translation*]

I want to express my sincere condolences to Mrs. Rabin and the family of Yitzhak Rabin.

[*English*]

To Mrs. Rabin, to her family, to the people of Israel and to all people of goodwill everywhere, I conclude with the traditional Hebrew words of sympathy and condolence:

Hamakom y'nahaim etkhem b'tokh sh'ar availai tziyon veeyerushalayim.

May the Lord comfort you with all the mourners of Zion and Jerusalem.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I rise today to send our deepest condolences to the family of Yitzhak Rabin and the people of Israel.

Although Mr. Rabin has fallen, he leaves behind a tremendous legacy of peace and a lifetime of work for the people of Israel.

As a soldier, Mr. Rabin learned to meet adversity with courage and determination and as a statesman this courage continued as he dared to make peace with the Palestinians and with Jordan, even in the face of bitter criticism from the opponents of peace.

In a world filled with conflict and strife, Mr. Rabin did not despair or allow anger to move him. He chose instead to dedicate his life to laying the groundwork for a peace that will be enjoyed by his children and grandchildren and by all the children of the Middle East.

On this sad day, though the torch must be passed, Mr. Rabin is gone but the need for hard work in the name of peace endures. As Mr. Rabin said, we will continue the peace process. There is no alternative to that regardless of what the enemies of peace might do.

We must remember these words. In so doing I join with all Canadians in hoping that others will step forward to finish the peaceful battle so well fought by Mr. Yitzhak Rabin, an example for us all.

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 three petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the Standing Committee on the Environment and Sustainable Environment has completed its consideration of Bill C–83 and is now ready to table its report. Bill C–83, an act to amend the Auditor General Act, establishes the position of Commissioner of the Environment and Sustainable Development. I have the honour to table this report.

* * *

[*English*]

PETITIONS

ASSISTED SUICIDE

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I have three petitions to present.

The petitioners on the first, out of respect and concern for the sanctity of human life, pray and request that Parliament continue to prohibit euthanasia and assisted suicide. The petition bears 135 signatures.

RIGHTS OF THE UNBORN

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the second petition, which bears 56 signatures, prays and requests 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.

• (1520)

HUMAN RIGHTS

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the third petition, which bears 208 signatures, requests 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.

YOUNG OFFENDERS ACT

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I am pleased to present 209 signatures of my constituents asking that Parliament 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 victim.

INCOME TAX

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition which has been circulating all across Canada. This petition has been signed by a number of Canadians from Ancaster, Ontario.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

* * *

[*Translation*]

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. 195 will be answered today.

[*Text*]

Question No.195—**Mr. Riis:**

With respect to the government policy regarding the protection of workers from environmental tobacco smoke (ETS), (*a*) are there any estimates of the number of workers under the federal jurisdiction who are (i) exposed to ETS resulting from smoking where smoking is permitted, (ii) exposed to ETS resulting from smoking where smoking is not permitted, and if so, what are these estimates, (*b*) are workers who are exposed to ETS justified in quitting their jobs within the meaning of the Unemployment Insurance Act, and (*c*) since 1989, (i) have any inspections been made to ensure compliance with the Non–Smokers' Health Act, and if so, how many, (ii) have any tickets been issued pursuant to the Non–Smokers' Health Act and if so, how many?

Hon. Lucienne Robillard (Minister of Labour): The Non–Smokers Health Act affects almost 650,000 workers in about 26,700 workplaces under federal jurisdiction and approximately 240,000 employees of the Public Service of Canada.

(*a*) (i) There is no estimate of the number or percentage of federally regulated workers who are exposed to environmental tobacco smoke resulting from smoking where smoking is permitted and (*a*) (ii) where smoking is not permitted.

(*b*) Under the UI act, "just cause" for voluntarily leaving an employment exists where, having regard to all the circumstances, the claimant had no reasonable alternative to leaving employment.

Working conditions that constitute a danger to health or safety is one of the 13 specific circumstances identified by the legislation that may constitute just cause for voluntarily leaving employment.

Before leaving the employment, a reasonable alternative for the person working in such a place would be to report the situation to the employer and/or the union so that the situation can be remedied within a reasonable period of time. If the situation still does not improve and the working conditions likely affect his or her health, a person could reasonably prove his or her point by means of a medical certificate or other similar document.

(*c*) (i) The national statistics at our disposal reveal that from April 1, 1990 to March 31, 1995, there were 144 inspections and 467 complaint investigations conducted under the Non–smokers Health Act.

(*c*) (ii) Until the Contraventions Act (Bill C–46) is proclaimed, issuing warnings or initiating prosecutions are the only alternatives to "ticketing" an individual for non–compliance. To this end, labour branch officials ask the employer or employee to sign an assurance of voluntary compliance (AVCs), by which they make the commitment to cease the contravention within a specified period of time. Failure to do so can lead to prosecution. From April 1, 1990 to March 31, 1995, a total of 156 AVCs have been received by safety officers and no prosecutions have been initiated.

[*Translation*]

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

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HEALTH ACT

The House resumed consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee; and of the amendment.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, as we consider Bill C–95, hon. members will want to reflect on the business of the Department of Health as it embarks on its new life, its new beginnings.

The department is no longer responsible for social assistance. Does this reduce its importance in the national structure? Is it fading away? Is it weakened? Far from it. As I read the results, the Department of Health is now poised and primed to take on perhaps the greatest challenge it has ever known. It has gathered its strength in order to guard the health of Canadians through an era of stress, strain and dislocation that is testing us all.

It is finding alternatives to the financial resources once thought inexhaustible but now known to be limited alternatives described by words such as collaboration, knowledge and intelligence, waste reduction and value for money. These are the watch words of the new department, focused today more than ever on health because it is focused on health alone.

The basic facts of Bill C–95 are as follows. The department is renamed. Some inspectors are empowered. The social well–being dimension of health is acknowledged and there are to be charges to businesses for services that have business value.

A new name means a new focus. This is what the bill is about, what is in the bill and who can object. It is eminently reasonable. It has been well set out by the minister and by other hon. members and the significance of the new name, the Department of Health, is personified in that single word because of the very importance of health to Canadians.

I would go one step further. The Department of Health is a symbol of a new beginning. This nominal act speaks volumes about a determination to focus intensely on the health of Canadians, our most precious resource.

• (1525)

The renamed department will continue all the essential work that has helped Canadians reach the top of the world rankings in health. However, it will do far more than maintain hallowed traditions. It intends to be a dynamic player in a world filled with new challenges and opportunities for health care.

The department is in business to protect the health of Canadians but it is doing that business in a new way, streamlined by a new vision of the way things must work in the future.

What indicators are there of this new approach? None is more practical or more telling than the consolidation in the department of 11 separate activities distinguished as such even up to the recent main estimates into just four business lines. This move reflects what has been learned from the program review process and participation in the science and technology policy review. More than this, it reflects a willingness to consult, to listen, to learn and to change.

The first of the new business lines will position the department to support and renew the health system in Canada. It will try to achieve a better balance among health care, disease prevention and health protection and promotion.

Quality health care services contribute to the health of the population, but good health is not simply the result of health care. Rather, it is more true to say health care is the result of ill health. Good health arises from a host of social, economic and environmental lifestyles and genetic factors.

Hon. members are aware of the initiatives undertaken by the Prime Minister's national forum on health to determine the necessary and sufficient conditions for health and identify the root cause of illness. The recommendations of the national forum will guide the department in its efforts to make the system healthier for all Canadians.

It will work with the provinces and territories to contain costs, including the costs of prescription drugs, in order to ease spending pressure on governments and the private health care system. It will lead consultation aimed at interpreting the Canada Health Act but it will not cease to enforce the act so that universal access to appropriate health care is maintained throughout Canada.

Canadians look to the federal government, to hon. members here in the House, to create bridges among the provinces. They want us to ensure national standards for health care. They insist we intervene to remedy inequalities and protect infrastructure. For all of this the Department of Health is our means, our instrument.

Another line of business the department has recently adapted will focus on the health problems of disadvantaged groups. This involves marshalling a number of existing programs toward this single objective. It involves new programs to be delivered in partnership with the provinces. As well, it involves improving the flexibility to respond when a new health need arises.

The department will intervene to help protect those at most risk when it is clear that the federal government is placed to provide the best care at the lowest cost. Affordable health care of the highest quality is the aim, the objective, while eliminating overlap and duplication with the provinces and other partners.

I will not dwell on the delivery of health services to First Nations, Inuit and the people of Yukon. I pass over it not because it is less important. Indeed it accounts for the largest share of the department's entire budget. I pass over it because it has been thoroughly explored in the representation of the minister and other hon. members speaking on the bill.

This is the new business line that flows least change from the department's previous portfolio of responsibilities. Helping native people and northerners attain a level of health comparable to that of other Canadians who live in similar conditions has long been a goal of this department, a goal of this government. The goal has not yet been achieved, but great strides are being made in the right direction to serve the people of the north.

• (1530)

The fourth reconstituted business line of the Department of Health seeks to reduce the health risks to Canadians arising from food and drugs, from consumer products and medical devices, from disease and disaster. This is the regulatory and compliance thrust of the department. This is the heart of health protection, where the department stands on guard to preserve the health of Canadians. It is here that Bill C–95 adds some muscle and meat to the refocused mission of the Department of Health.

The transfer of responsibility for the safety of consumer products and workplace equipment is formalized in the bill. Officials of the department get powers in the bill to inspect possible disease–carrying agents entering this country by way of foreign products. The costs of services provided to businesses may be recovered under a provision of the bill. If risks to Canadians are going to be managed effectively in an era of restraint, new ways to meet those costs must be found. This is one such way.

The late Lewis Thomas was a physician who taught at Yale. He was a great essayist and was called the poet laureate of 20th century medical science. Dr. Thomas wrote that the term health industry provides the illusion that it is in a general way all one thing and that it turns out on demand a single unambiguous product which is health.

Thus, health care has become the new name for medicine. Health care delivery is what doctors and nurses do along with hospitals and other professionals working with them. They are now known collectively as the health providers or the health team. Patients have become health consumers. Once we start on this line, there is no stopping.

We tend to forget sometimes that health is not simply a product distributed in neat little packages from a constantly replenished inventory on a shelf somewhere. We also forget sometimes in our rhapsodies over a multibillion dollar health system that it ultimately comes down to one patient, often hurt and scared, and one medical professional who may or may not be sure either about the cause of the complaint or what to do about it. It is a face to face, one to one confrontation as to what to do. This reality is part of the new understanding of the department which will be renamed with the passage of the bill.

I take the minister at her word, given to doctors at the CMA leadership conference in March, that decisions will be based on solid Canadian values such as fairness, compassion and respect for the fundamental dignity of all people, of all Canadians.

In the October edition of the *Fraser Forum*, which is published by the Fraser Institute, there was an article entitled: "Two–tier health care system". I quote from the article:

> I would say that of all the government health plans in Europe the German system is the king among the blind. However, it's still one–eyed, it is still inferior compared to a purely private system, I believe. Now, the German system does not guarantee universal coverage—

The Canadian system is the best system, the single tier system. Only last week we heard that great American, Ralph Nader, telling us here in Canada to be vigilant, to be watchful and not to lose that single tier system where all Canadians have access to excellent health care.

I am pleased to speak on Bill C–95 today. I am pleased to enunciate for the second time the new name, Department of Health, and the significance we in this government place on the health of our people and the well–being of all Canadians. It is because of this naming, the single word health, that we give no extended situations to other things but singly the health of Canadians and the prominence it will play within our government.

• (1535)

I urge hon. members in this House to support the government with this very important bill. It is the fibre that helps this country maintain the strength of its unity.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise today to speak on Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts.

The main change brought about by Bill C–95 is the change in designation from Department of National Health and Welfare to Department of Health. I welcome this opportunity today, because this bill speaks volumes about this government's intention to further centralize and strengthen its powers despite its pre–referendum rhetoric about decentralizing.

On the face of it, this bill looks completely innocuous, technical, minor and inconsequential. Yet, some provisions of this bill could have a major impact on the exclusive provincial jurisdiction over health care.

I will go over them rapidly because my colleagues from the Bloc Quebecois have already reviewed significant health issues since the beginning of the Canadian confederation. Just the same, it is imperative, in my opinion, to bear in mind what, obviously, this government tends to forget, and that is that, under the constitution, health is an exclusive provincial jurisdiction.

Everyone agree on this. How can certain provisions of this bill be justified in that context, I wonder? I am referring in particular to clause 4, which states that:

> 4.(1) The powers, duties and functions of the Minister extend to and include all matters—relating to the promotion and preservation of the health of people—
>
> (2)—the Minister's powers, duties and functions—include the following matters:
>
> (*a*) the promotion and preservation of the physical, mental and social well–being of the people of Canada;
>
> (*b*) the protection of the people of Canada against risks to health and the spreading of diseases;
>
> (*c*) investigation and research into public health—
>
> (*d*) the establishment and control of safety standards—for consumer products—
>
> (*e*) the protection of public health on railways, ships, aircraft—
>
> (*f*) the promotion and preservation of the health of the public servants and other employees of the Government of Canada;
>
> (*h*)—the collection, analysis, interpretation, publication and distribution of information relating to public health; and
>
> (*i*) cooperation with provincial authorities with a view to the coordination of efforts made or proposed for preserving and improving public health.

These are provisions which are far–reaching and whose legal implications are difficult to foresee. This is especially worrisome since part of these are new provisions which were not found in the former act, that is to say the act respecting the Department of National Health and Welfare.

• (1540)

This bill reveals the federal government's will to centralize, as do other facts. I refer you in particular to the red book published by the Liberal Party of Canada, which called for widespread consultations on health care in the form of a public forum. I quote from page 80 of the red book: "The role of the federal government should include the mobilization of effort to bring together Canada's wealth of talent and knowledge in the health care field. This is a societal issue in which every Canadian has an interest. The federal government must provide the means to ensure that Canadians are involved and informed, and can understand the issues and the options". These sentences speak for themselves and clearly show the Liberal Party's intentions even before they came to power.

In June of 1994, the Minister of Health announced the creation of this forum. Though its own Minister of Health, Quebec vigorously denounced this initiative and refused to take part in this exercise. And Quebec was not the only province that registered a protest. To this day, no province is a participant in this forum.

A few days before the referendum, some federal spokespersons changed their tune in order to win. They were focusing on change, decentralization, and powers to be negotiated with the provinces. What is happening now? Exactly a week after a significant vote that clearly revealed Quebecers' desire for change, we in this House are debating a bill that brings us back to the sad reality. No change can be expected from the current government.

The government has no intention of relinquishing any of its powers, despite what it said before the referendum. I hope that the minister will fully comply with clause 12 of the bill, which reads as follows:

> 12. Nothing in this act or the regulations authorizes the minister or any officer or employee of the department to exercise any jurisdiction or control over any health authority operating under the laws of any province.

Mr. Speaker, allow me to give a historical overview of the legislation and of the federal government's interference in the area of health care. First, let us not forget that section 92.16 of the Constitution Act gives the provinces overall jurisdiction over health issues on their territory, by providing the following, and I quote: "—generally all matters of a merely local or private nature in the province".

Moreover, subsections 7, 13 and 16 of section 92 recognize the provinces' jurisdiction over hospitals, the medical profession and practice, as well as health care, on their territory.

Health is clearly a provincial, not a federal responsibility. However, the federal government has always managed to interfere in that sector, either through legislative measures such as the Food and Drug Act, or indirectly through its spending power.

Such interference has often generated tension and conflicts between the central and provincial governments. Quebec has certainly been the one denouncing most often and most directly Ottawa's interference in its field of jurisdiction. In 1919, the federal government established the health department and gave it the authority to provide grants.

• (1545)

In 1945, during a federal–provincial conference, the federal government proposed the establishment of a national health care program for which it would assume total responsibility. It should be pointed out that, in those days, after the war, the federal government exercised almost total control over the primary fields of taxation.

In 1948, a national health grant program was set up. In 1957, the federal Hospital Insurance and Diagnostic Services Act was passed, followed in 1966 by the Medical Care Act. The Canada Health Act was then passed in 1984, after a long debate and a lot of criticism. The central government had decided to legislate to ensure that health care and services that were medically necessary would remain accessible, available to all and free.

That federal act had the effect of imposing on the provinces the obligation to comply with these principles, in spite of budget cuts that the central government would make in transfer payments to the provinces for the health sector. The federal government also gave itself the power to impose monetary penalties on non–complying provinces. That act establishes national standards, namely, as I said, the universality of services, accessibility, transferability from province to province, public management and comprehensiveness. If these standards are not met, Ottawa can withhold its transfer payments for health care.

Based on the 1995–96 budget, Health Canada will spend some $1.5 billion to operate the program and some $7.4 billion in transfer payments. This department funds, among other things, the integration of people with disabilities, the fight against domestic violence, the new horizons program, the Seniors Secretariat, the fight against smoking, the national anti drug campaign, the national AIDS strategy, programs on pregnancy and child development, the Children's Bureau and the national health forum.

I have always supported a health insurance scheme that is universal, free, provincially administered, funded by our taxes and available to all. I do not support a system with two tiers: one for the rich and the other for the poor. I am, for example, concerned about what is happening in the United States, which does not have a public health scheme, preventing millions of people from having access to proper health care. Health, in my opinion, is people's most precious possession. This is why we must protect this system, and make preventing disease and promoting health our priority.

Naturally, with Canada's and Quebec's aging population, health care costs more and more. But services must not be rationed, nor cuts made unjustifiably. Unfortunately, Canada's entire health care system is in an acute state of crisis. Since the program's inception in 1977, the rate of growth of its funding has not kept up. This has meant a shortfall for the provinces. For example, in 1986, the federal government cut the rate of growth of transfers by 2 per cent. In 1989, the indexing factor was reduced by 1 per cent. In 1990, Bill C–69 froze transfers at the 1989–90 level for a two–year period. In 1991, the federal government extended the freeze another three years. All this time, the Liberals were vigorously criticizing these cuts.

• (1550)

Now that they are in power, they have totally changed their position and continue to nibble away at the Canadian health system. Scandalous.

It must be pointed out that, between 1977 and 1994, Ottawa's contribution to the health system dropped from 45.9 per cent to 33.7 per cent, and Quebec and the provinces have had to absorb this 10.6 per cent shortfall, with great difficulty.

The forecasts for 1997–98 indicate that the federal share of funding will be 28.5 per cent. Total cuts for Quebec alone are $8 billion dollars. To this must be added the $308 million reduction for 1995–96 and the $587 for 1997–98 in the Canada social transfer.

Is this what the flexible federalism of the Liberal government means? The only thing it is decentralizing is the deficit.

My fear is that these cuts will lead to the end of the health system as we know it. I am against social program cuts, as I have stated in this House on numerous occasions, particularly cuts in health programs through the drastic reductions in transfers to the provinces.

I support the campaign by the Canadian Labour Congress, the CLC, to save the Canadian health system. This coming December 5, the leaders of that organization will be here to meet some of the ministers and members as part of their campaign. The same battle is being waged in Quebec by the FTQ.

As a sovereignist, I voted Yes on October 30 because of my conviction that we in Quebec can build a more just society, a more egalitarian, more humane society. I am concerned about the Liberal Government's lean to the right, its blind cuts in unemployment insurance, social assistance, old age pensions, postsecondary education and so on. I am concerned about the antisocial orientations, with their lack of concern for what becomes of the least advantaged members of society, developed by the governments of Ralph Klein in Alberta and Mike Harris in Ontario, both Conservative governments.

In addition, I am greatly concerned about the right–wing, sometimes ultraright philosophy of the Reform, particularly when it comes to immigration, firearms control, cuts and the battle against the deficit.

The British Columbia NDP government's decision to refuse social assistance to anyone who has not been in the province for three months concerns me.

So, nearly all of English Canada is aligning along the most conservative of lines. In my opinion, the federal government ought to show some compassion, understanding and generosity towards our poor and needy fellow citizens. Canada has the means to protect the unemployed, the welfare recipients, the sick and so on.

My wish in closing is for the federal government to do everything necessary to preserve the health system in Canada.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I listened very carefully to the words of the member for Bourassa. I wonder if he could clarify a few things.

He again reminds us that he is a sovereignist. I do not know what that has to do with this bill. I would remind him to reflect on the words the former Premier of Quebec and his own leader used about the kinds of people they want to live in that part of Canada. So when he says he is a sovereignist, I assume he means that he is a Canadian sovereignist.

• (1555)

I got this feeling from statements made in the foreign affairs committee and in the House that to that party everything seems to be a provincial jurisdiction. There seems to be nothing left for the federal government and provinces to co–operate on. Here is a bill that calls for co–operation to maintain health standards across Canada and keep costs down, and the hon. member cannot even support that.

He quoted from clause 2. I refer him to paragraph (i), where the minister's powers, duties, and functions relating to health include "co–operation with provincial authorities with a view to the co–ordination of efforts made or proposed for preserving and improving public health". Is the hon. member honestly against this kind of a bill?

He also went on to say that he is against the two–tier system. Great, I agree with him. So am I, and so is everyone on this side of the House, the government side. How does he expect to prevent the two–tier system if he allows health care to be the total responsibility of the province?

My wife happens to live in Ontario and her brothers live in Quebec. Their mother used to switch from Quebec to Ontario. She would live at her son's at one time and at her daughter's another time. If each province is responsible for its own health system, their mother could not have done that. Under the present system she was able to move from province to province and have her prescriptions, doctor bills, and everything covered. Thank God, she lived to 89. She had gone through Siberia and had the kind of life that no one would want to hear about in this House. Yet she lived in this country happily until she was 89 because of the health system in this country and because of the standards that were kept from province to province.

I would like the hon. member to clarify what he means. He is against the two–tier system, yet he wants no federal involvement at all. How does he expect to maintain Canadian standards if he wants health to be the sole jurisdiction of the provinces?

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would remind the hon. member, as I did in my address, that health is a provincial matter, not because I say so, but because the constitution says so. Very clearly. I quoted section 92 earlier.

I am sure, as I have already said, that we in Quebec are capable of providing care to the entire population, care funded from our taxes, quality care. We in Quebec have no need of the federal government to provide our entire population with such care.

Furthermore, the health system in Canada is at risk today, not because of the provinces, but because of federal cuts in transfers to the provinces. That is where the true danger lies.

I think that the hon. member ought to get up to criticize his own government's cuts in the system of transfers to the provinces. I trust that he will react to the next federal budget because it will seriously aggravate the situation. The government will be making cuts everywhere, including health care, in the next budget.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I want to comment on the hon. member's statement.

Much has been said about paragraph 4.(2)(a) and that it in fact has begun to encroach on provincial jurisdiction. I would like to refer the hon. member to clause 12, which states:

> Nothing in this Act or the regulations authorizes the Minister or any officer or employee of the Department to exercise any jurisdiction or control over any health authority operating under the laws of any province.

That clearly specifies that the bill does not move into provincial jurisdiction.

• (1600)

I will quickly touch on the issue of transfer payments. In 1991–92 federal health transfers as a percentage of provincial expenditures were 31.2 per cent. In 1993–94 to Quebec it was 31.9 per cent. In 1994–95 it was 31.7 per cent. In 1995–96 it is 32.2 per cent. I may not be an accountant but I surely know that is an increase in terms of percentage of expenditure.

The major transfer to Quebec will approach $11.7 billion in 1995–96. It will account for over 30 per cent of Quebec's estimated revenues in 1995–96. It means that roughly $1,590 per person is spent in Quebec by the federal government.

[*Translation*]

Mr. Nunez: Mr. Speaker, briefly, I appreciate the hon. member's comments but I find that there are certain contradictions in clause 12 of this bill, which have been pointed out by the critic for our party. Furthermore, practice and experience have shown us that, even where there are clauses to forbid federal interference in provincial matters, the federal level retains the spending power, which it sometimes uses to interfere unduly in provincial matters.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, during the last number of years a significant trend has occurred in health care in Canada in relation to the average length of stay that Canadians have in hospitals. In Ontario alone the average length of stay has reduced from some seven days to about 4.2 days.

There has also been a major shift toward ambulatory care. Rather than having people go to the hospital and wait for a day for surgery and so on, they come in on the same day of surgery and are out a lot quicker; similarly with regard to maternity.

The member should also appreciate that there have been substantial changes in medical technology as well as in medications and that in fact Canadians are living longer today than they have historically. They continue to live longer. In addition there has been a tremendous elimination of duplication of services between hospitals and community agencies.

All this results in a substantial reduction in health care costs. Yet the member will clearly find out, if he checks the figures, that our health care institutions province by province have been able to service as many or more Canadians with less facilities. Those are the savings.

Because the savings have been achieved by the provinces the federal government has not achieved any benefit from the savings. The member should realize that health care is much cheaper to provide now and that the cuts simply reflect the lower cost of providing health care to all Canadians.

[*Translation*]

Mr. Nunez: Mr. Speaker, as I said in my speech, I am in favour of a universal health system that is free of charge and funded from tax revenues. I think that this is a major benefit for the population, and one I would not like to see endangered. That is why I would invite the hon. member across the way to pressure the Minister of Finance to stop making cuts in transfer payments to the provinces in order to finance the health program.

Contrary to what the hon. member states, I feel that costs are on the upswing at present, particularly because of longer life expectancies. The population wants care, increased care. In my riding of Bourassa there are very many seniors who complain of not having proper health care. We can work together to improve the system, but not to destroy it, as you will by making cuts in the health field.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, may I say that it gives me a great deal of pride today to speak in support of Bill C–95 to establish the Department of Health.

• (1605)

My pride lies not just in the federal government's record of accomplishment and achievement in the broad health domain, although I have a great deal of pride in that, but also in a health system that is the envy of the world. In addition I have pride in the knowledge that the genius of Canada's Constitution is found in the fact that the world's finest health system did not come about at the expense of a fundamental respect for the letter and spirit of our Constitution.

While we are batting around our good and much maligned Constitution I should like to make a slight comment. Members of either the official opposition or the third party who are fond of making comments about the Constitution could perhaps learn a bit if they would read the Constitution. Many of the misapprehensions we have heard from both those opposition sides might be cleared up if they would merely read it. Maybe they need some help in reading it. However they should read it.

We could speculate on how the Fathers of Confederation would have dealt with health care had they any idea of the enormous technological changes that would take place in the first century of our country's history and in the even more profound technological advances that continue to arise each and every day. Perhaps we could speculate on how the Constitution would have been written if anyone in 1867 could have imagined the day when health expenditures would account for about one–tenth of Canada's economy.

Last Thursday the hon. member for Drummond enumerated the various heads of power over health the Constitution assigns to provincial legislatures. She drew particular attention to subsections 92(7), 92(13) and 92(16) which deal with health institutions, property and civil rights, and local matters. The hon. member could have added that subsection 92(2) deals with local taxation and spending and has health implications.

Those listening to the hon. member's stirring defence of Canada's Constitution could have been forgiven for thinking that everything the Constitution has to say about health is encapsulated in subsection 92. The fact of the matter is that other subsections also have considerable relevance. In the interest of peace, order and good government and in the interest of ensuring the people of Canada understand what is actually happening I should like to name some of them.

Subsection 91(27) gives the Parliament of Canada exclusive jurisdiction over criminal law. "Ah", I hear some people cry, "what does that have to do with health?" I will tell them. It is the basis of a number of statutes protecting public health and safety. That is federal jurisdiction.

Subsection 91(2) assigns to the federal Parliament responsibilities for international and interprovincial trade. It again supports the basis for federal regulations, as a small example, in the area of drugs and medical devices. That is federal jurisdiction once again.

Subsection 91(11) gives the federal Parliament explicit power over quarantine and marine hospitals. That is an interesting sidelight. It reveals a good deal of the thinking in 1867 about where matters cease to be local and take on national significance: quarantine and marine hospitals. It is not too big a stretch to see that should be and indeed is constitutionally within the federal domain.

Subsection 91(7) concerns the military and veterans. It is federal. Subsection 91(8) has to do with the federal public service and subsection 91(4) concerns aboriginals and lands reserved for aboriginals.

All these powers account for a great deal of the federal role in health. They account for the considerable array of the duties and responsibilities set out in clause 4 of Bill C–95 and by extension they account for the vast majority of Health Canada's operating expenses.

When viewed from the perspective of federal constitutional responsibilities, health is clearly a great deal broader than my hon. friend's narrow view of health care delivery, important though that is. No one in the Department of Health and no one on the government side is trying to minimize the responsibility of the provinces in health care. It is clearly not my intention to reopen the Constitution on this occasion but to separate myths from reality, particularly as they regard the application of federal spending powers in the health field.

• (1610)

I will again reiterate my earlier comment. The Constitution is a wonderful compilation of documents that has been much maligned both by the official opposition for obvious reasons and by the third party for reasons I can only claim are obscure. Most of their reasons are pretty obscure to me.

The biggest myth is that the spending power broadens the sphere of federal regulation. The reality is that nothing in the Constitution gives the federal Parliament the means to regulate provincial matters in the guise of spending power. Perhaps I could say it again very slowly. It can attach conditions to the funds it makes available to the provinces. However, just as it cannot compel the provinces to accept the funds it offers, neither does it buy jurisdiction when its offer of funds is accepted.

Clause 12 of Bill C–95 makes the limitation clear just as the existing Department of National Health and Welfare Act also makes it clear. It states:

> Nothing in this act or the regulations authorizes the minister or any officer or employee of the department to exercise any jurisdiction or control over any health authority operating under the laws of any province.

That is why the Canada Health Act does not forbid user fees. It does not require that provincial legislatures forbid them. It simply makes it clear that any province which decides to finance medically necessary health services through such means cannot count on receiving the full amount of financial assistance the federal government is prepared to offer.

This brings me to the matter that the federal government is intruding into provincial prerogatives. There is an immense distinction to be drawn between intrusion and involvement. The motivation for the federal government's involvement in health financing does not derive from any desire to centralize powers or to colonize a field of provincial jurisdiction.

The federal role in health care has been the exercise of leadership. There are those who would hold that leadership is a dirty word or a symptom of megalomania. I hold differently, as do members on this side of the House. I hold that leadership is a characteristic all Canadians value. All Canadians from all regions of the country expect and demand their federal Parliament to display leadership. It is not a dirty word. It is a great word which we over here absolutely applaud.

It is here that doctors and hospitals cease to have just local significance. The value that all Canadians share transcends being merely local. The importance that all Canadians attach to the principles of universal health care is a defining characteristic of the Canadian psyche. This is who we are. This is what we stand for. This is what we are proud of and this is what we fight for.

How is it possible to overlook this aspect of health care? I do not understand it. It is beyond me. At a time when all Canadians welcome the positive forces of reconciliation and partnership, I cannot understand how we in the House would allow ourselves to ignore the positive contribution that the federal government has made and continues to make to the health and well–being of all Canadians and to the articulation of the spirit of community that hold us in high regard the world over.

Before I close I should like to tell a little story about something that took place in my first session of Parliament in the House when we were in opposition. There had been a debate, again I believe it was an opposition day debate on the question of health care. After the debate was over, I joined two of my colleagues, one from my own region of Atlantic Canada and another from Ontario. We talked about how important medicare and the Canadian health care system was to each one of us.

• (1615)

It turned out that each one of us had had fathers who had suffered and families that suffered because of injury and illness prior to the development of medicare in this country, prior to the Canadian health care system. We came from three different backgrounds, from three different areas of the country, but all three of us remembered what it was like in childhood and how our families had suffered because the Canadian health care system had not yet been put into place, put into place I might add by the federal government, a federal Liberal government.

This is why I am pleased to have had an opportunity to speak in support of Bill C–95. This is why I and my colleagues on this side of the House in the Government of Canada will fight and maintain the Canadian health care system in the face of all odds.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I welcome this opportunity to speak today in the debate on Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts.

I feel particularly concerned by this bill since in my riding, 50 per cent of the population lives below the poverty line and the quality of health care is extremely important. Although the government claims it is only a technical bill, its purpose being merely to change the name of the Department of Health, that is not the case.

Since 1919, we have seen the same situation time and time again. Once more, the federal government has shown its desire to invade provincial jurisdictions, as we will show later on.

I must firmly condemn the latest in a series of hijackings by the federal government. It hijacked the jurisdiction of the provinces over health care. It started many years ago in 1945, and it is about to finish the job.

Particularly revealing in this respect is the well known national forum on health. This forum, announced during the election campaign in the fall of 1993, was established a year later. Its mandate was very clear: to develop a vision of the future of Canada's health care system, to foster discussion with Canadians on their health care system, to identify priorities for the future and to achieve a broader consensus on the changes that are required.

We know that the provinces, which according to the constitution have jurisdiction over health care, are not involved in the forum.

What does this mean? The answer is simple. Instead of showing some willingness to respect the jurisdictions of the provinces, the government has simply gone over their heads without consulting them. The membership of the forum is a case in point, and I quote the Minister of Health: "The forum now has 22 members with a vast experience in health care, either as professionals, volunteers or consumers, and it will be a pleasure

to join them in the months to come to work on a wide range of issues".

As you can see, the federal government did not bother to appoint representatives for the provincial governments. Consumers, professionals and volunteers come under the exclusive jurisdiction of the provinces. If any doubts remain as to the determination of this government to get the provinces out of this area, let me eliminate them immediately by quoting what was said by the parliamentary secretary to the Minister of Health at the twelfth international convention of the International Society for Quality in Health Care last May. She said, speaking on behalf of the government: "Canada has already taken many steps to achieve its goal: renewal of the health care system. We are reinforcing the community aspect of health care, improving the role of consumers in this respect and looking for a more integrated approach to health which goes beyond care as such". She went on to say: "We want to improve the effectiveness and quality of health care, and one of our common priorities is to promote the use of guidelines for clinical practice. We want health care to focus on the practices that are most effective for various high–risk groups".

• (1620)

These are fighting words for the provinces. Since when has the community aspect of health care or the role of consumers and health care been a federal responsibility? Are these not the exclusive responsibility of the provincial governments?

Why did the federal government, as it paid lip service to eliminating duplication and overlap, set up the national forum on health? I wonder. The answer is clear: this government is caught up in its desire for centralization and its obsession with encroachment. It never intended to withdraw from the areas of provincial jurisdiction it has invaded with impunity since 1919.

It is too bad that public opinion and the opinion of governments, including that of Quebec, are not important at all to this government. If only this duplication could be an asset, but unfortunately, that is not the case, as we shall see.

Let us look at the repercussions of this obnoxious policy on provincial governments. In Quebec, the provincial government has for a number of years considered the changes that will be necessary to deal with budgetary constraints and at the same time improve health care services to the public.

Through broad public consultations, Quebecers had a chance to express their needs and expectations and help identify priorities and implementation mechanisms. The Quebec government's action plan is ready and is now being implemented. Is there any justification for the expense of the new consultations carried out by the forum? Would it not have been better to respect the autonomy and jurisdiction of the Government of Quebec and transfer all moneys concerned directly to it for the benefit of Quebecers?

I am sure this option never crossed the mind of the federal Liberals. Now it cannot be done, because the federal Minister of Health announced in March her firm intention to direct all health policy matters.

As they were thus assuming their so–called leadership, they cut transfers to the provinces, thus depriving those who provide the services of the funds they need to set up their own policies. In fact, provincial governments, not only Quebec, will have to slash health spending. In addition to their own budget constraints, they will have to deal with cuts in federal funding.

Once again it will be women who will feel the effect. A report on women's health prepared by the International Federation of Gynaecology and Obstetrics revealed a year ago that women were sick or incapacitated longer than men. Moreover, as their life expectancy is longer than men's, it is primarily they who will be deprived of necessary health care because of the expenses arising from duplication in health matters and cuts in federal spending.

For Quebec, these cuts represent more than $8 billion over 10 years. The provinces were not consulted, although they have to incorporate them and suffer the wrath of their citizens. We have to bear the unbearable.

Allow me to conclude with a quote from an article that appeared in *La Presse* on March 4, 1995, which aptly summarizes the situation. It said that, together with the provinces, Ottawa would have to establish a list of essential services that would continue to be covered by the health insurance plan. It felt that this was the way Ottawa intended to allow the provinces to deal with increased health costs in a context of reduced federal transfers. In the end, according to the article, the bill for services not considered essential would have to be paid by taxpayers.

The aim of Bill C–95 is to enshrine government control over health. We have no intention of supporting this greed, which will mean Quebecers and Canadians alike will suffer.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I listened with interest to the comments made by my colleague from Quebec. She raised what I think is an extremely important point, which I would like her to develop further.

She talked about centralization and decentralization. We now see that the federal government, in particular the Department of Health, is trying to centralize a number of health matters, especially the general direction of health care in Canada.

• (1625)

At the same time, we see that the provinces, including Quebec, want to make innovative, creative decisions to better manage health care within their territories. In Quebec, there is a wide consensus to decentralize health care decisions to administrative regions. I am not talking about Canada's administrative regions but about administrative regions in Quebec. We see that the people want to be able to define in their own communities the kind of health care services they need and to have access to them.

This is in complete opposition to the tendency evident in the federal government's measures. Our concerns are justified. The federal government's centralizing vision is totally out of touch with the expectations of people in every province, including Quebec.

I would like the hon. member for Quebec to expand on this, to give the people listening to us and the members of this House an overview of Quebec's favoured approach, which seems to strike a chord in some other provinces.

Mrs. Gagnon: Mr. Speaker, of course, this debate we are having today, members and ministers of previous governments have already had it. Legislation has been passed since 1919 that basically encroaches on provincial areas of jurisdiction.

That is not what the constitution of 1866 intended. What it intended was for the provinces to have full and complete jurisdiction over health, education and manpower training. I think that what is happening—When I look at the federal government's expenditures, I think that the problem comes from the federal spending power.

Federal spending for 1995–96 is $1.5 billion for operations, $347 million for personnel and $703 million for goods and services. If this money had been transferred to the provinces, Quebec and the other provinces would have had more money for health care, and would not have had to impose budgetary restraints and to cut back personnel and services at the taxpayers' expense.

What do you do at a forum? You discuss. You try to find a way to sing the same tune as the other provinces. But in the end, as minister Rochon pointed out in the Quebec national assembly, all that the provinces do at meetings and federal–provincial conferences is complain about not having enough money. There are costs involved with holding forums and conferences. When you do not have enough money, you stop discussing and start acting.

And in acting, you need money to follow these actions through. I think that agonizing choices lie ahead. Quebec's goal has always been to provide a safety net in several areas such as social services, health and education.

The federal government is driving us back against the wall by providing less funding. Federal transfers to the provinces have been reduced by $8 billion. Who does the public turn to? To the one making the cuts, the one that says: "We will not be improving services this year because we do not have enough money. Instead, we will be downsizing". As a result, employees too are concerned.

I think that I am not the first person to make this point. Since 1919, other parliamentarians, from Taschereau to Jean Lesage, have made it before me. There must be some truth in what we say. I cannot understand the federal government. We have to keep hitting it with the same arguments over and over again. What a waste of time. Time has come to act. And to act, we need money.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened with interest to the speech made by the hon. member. I would like to try to put this in a simpler context. I think what the hon. member and what many Bloc members are saying is that they would like the province to be totally responsible for health care with no federal involvement whatsoever.

• (1630)

I would like to give the member a simple example and ask the member to comment on one particular aspect of health care that we take care of, and that is the research, study, and recommendations to deal with specific problems Canadians have. One of them I am quite interested in is fetal alcohol syndrome or fetal alcohol effects. That disease affects about one in 500 births. It also accounts for five per cent of all fetal defects in Canada. That particular disease results in central nervous system disorders, brain damage, cognitive problems, attention problems, and so on. It is a very serious problem.

The federal government, using part of its money, one of many studies and programs it does, looked into this in 1992 and apparently is coming out again with a joint statement with the provinces with regard to a strategy to deal with fetal alcohol syndrome and fetal alcohol effects. That is just one example.

Does the member not agree that there are problems of health in Canada that are much better dealt with as a national Canada–wide effort—AIDS, aboriginal health, alcoholism, drugs, and so on—and are better handled by the federal government rather than handled individually in each and every province?

[*Translation*]

Mrs. Gagnon: Mr. Speaker, I do not deny that there are health problems, but the provinces are certainly able to meet the needs of the public. The federal government is not there to set standards, organize forums and make studies. Rather, its role is to transfer money to the provinces, so that they can act directly where it is needed. I do not deny that there are problems with alcoholism. However, I believe that Quebec is certainly capable

of setting up its own programs and making realistic decisions, based on the existing demand and need.

You talk about national standards. These may be appropriate for a province, but less so for another. When you set national standards, you must also provide financial support. We are discussing eligibility for all. I agree with that principle. However, do you not think that the federal government jeopardizes access, for the population as a whole, to quality health services, by spending and generating costs without even seeking our approval?

The issue is not health care, but transfer payments and the provinces' responsibility.

As I said before, ministers and members of provincial legislatures, not only in Quebec, have been wondering about decentralization since 1919. The word "decentralization" was not invented in Quebec. Other provinces are also concerned. Just look at what is happening in Ontario and in British Columbia, which will pass a law that may not please everyone. The federal government interferes in fields of provincial jurisdiction. Given that $603 million is spent on goods and services, and another $347 million on personnel, the federal should let the provinces spend the money where it is really needed and avoid duplication of services and personnel.

[*English*]

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I rise to address the House in support of Bill C–95, an act respecting the Department of Health.

I would like to take this opportunity to congratulate the minister who proposes this bill for the efforts she has made over the past year to defend and strengthen the principles enshrined in the Canada Health Act that underpin Canada's magnificent medicare system. I might add, it is a system of which I was proud to be a part in my previous position as a health care professional.

• (1635)

The department this bill deals with is an essential part of the fabric of this nation. The minister has said that it touches the life of every Canadian every day. Medicare in Canada transcends medicine. It is both a service for Canadians and a critical bond with Canadian federalism. Without it we would suffer as individuals and as a country.

It is essential that medicare be sustained and strengthened and that it remain as a bond within the country. This is the challenge and the responsibility of this department. This is the reason for Health Canada, and the reason I will support Bill C–95 without reservation.

It is true that the provinces have primary responsibility for the design and delivery of health care services. This is as it should be. Health care is a local responsibility. Doctors and hospitals work in communities. Provincial control of health care is not a weakness of the system, it is a considerable strength. The values, beliefs, wants and aspirations that define Canada and the Canadian identity are not unique to any sector of the Canadian population or to any region of this great country of ours. But the circumstances in which health care is delivered differ across regions, and the health care needs and priorities of these regions will differ. What we have is an opportunity system, where 12 variations on a common set of principles all going at medical problems in slightly different ways provide administrators and practitioners in different parts of the country with the opportunity to learn from each other.

The provinces plan, manage, and operate the health care system, but through the exercise of the federal role and through its transfers to the province, a national health system is the reality in Canada.

There are clearly many important health matters that require national leadership and co–ordination. There would be little to be gained, for example, if the work of the federal laboratory for disease control were duplicated in each province.

Many federal initiatives in the areas of health promotion and disease prevention have stimulated provinces, public health authorities, and non–governmental organizations to work to improve the health of all Canadians. Health Canada also has a special role to play with respect to the delivery of certain health services to First Nations, which will continue until the process of devolving responsibility for self–government has been completed.

After World War II ended, our forefathers and our predecessors, federal and provincial, looked down the road and asked what kind of nation we wanted to have. What kind of health care system do we want to have? What kinds of values do we have? As a country, as a people, and as the Liberal Party, we concluded that top–flight medical care was of paramount importance. We also recognized certain principles of fairness, equity, and efficiency that reflect the ideal of Canadians. Out of all this, our system of medicare was assembled just over a decade ago. It was anchored by the Canada Health Act.

If I may remind hon. members, the Canada Health Act came into being in order to defend the principles that were the foundation of medicare, principles of equal and universal access, principles that were even then under attack by various schemes that allowed extra billing and user fees.

In 1983, extra billing in various provinces amounted to $100 million, a total that had doubled over the previous five years. An erosion of medicare was taking place. The erosion was stopped by the minister in 1984. When there were signs of it restarting in 1994 under the guise of private clinics, it was stopped again by this minister, who has insisted that the federal government will ensure that the fundamental principles of the health care act are maintained.

The minister has said that it is not her intention to preclude the use of private clinics, which are often a cost–effective way to deliver services. She has said though that they have the potential to create a two–tiered system of health care: one level of service for the wealthy and another for the rest of Canadians. This is unacceptable today, just as it has been unacceptable through all the years we have been building and defending Canada's medicare system.

There is no mistaking where Canadians stand on this issue. Canadians want effective federal leadership in the health field. This is evident from the favourable reaction to the minister's announcement regarding user fees at private clinics.

• (1640)

Hon. members who have concerned themselves with the evolution of the health care system will be familiar with the work of Dr. Michael Rachlis. He was co–author of *Second Opinion*, an influential book that examined the Canadian system. Dr. Rachlis recently criticized the combining of public and private medicare, saying "it entails a wrong prescription for what is wrong with our health care system and then issues a wrong diagnosis".

Frank Maynard, former Deputy Minister of Health for Manitoba, warned:

> We already have the beginnings of a two–tier system; we should not enlarge it. Health care is not a commodity, so it is not a valid choice to offer the rich faster access to required medical service.

Wendy Armstrong, president of the Alberta chapter of the Consumers' Association of Canada, wrote:

> What happens is private clinics choose to treat things with the least risk of complication, least overhead cost and with potentially high volume. It's skimming the cream.

I could multiply these quotations by the hundreds, but I will conclude with only one. This segment is from a letter to the editor published by the *Calgary Herald* on October 16, 1995:

> It is time for Albertans to stand behind the federal government and demand universality of health care. This issue has nothing to do with political affiliation. It has everything to do with preserving a cornerstone of what makes Canada the best country in the world.

That just about sums it up. We are all in it together. For the most part we are all delighted to be in it, because there is no better system to be in, anywhere in the world.

The role of the Department of Health is to sustain and improve Canada's health system, to keep it intact. That is why I support the department, and that is why I support this bill.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, we know that transfer payments for health and postsecondary education have been reduced over the last several years.

I personally asked the Minister of Health to give me the figures in constant dollars on a per capita basis. There has been indeed a 7 per cent reduction over the last four or five years. Obviously, this has had an impact on the provinces' ability to assume their responsibilities with regard to health.

In Quebec, for example, we know that the Minister of Finance has announced a $1.5 billion reduction in transfer payments for health and postsecondary education for next year. At the same time, we learn that the federal government is going to spend $2 billion to buy armoured vehicles.

There is some type of dichotomy here. I want to believe that we do need armoured vehicles, but health is also essential. Armoured vehicles will not be much help to us when we get sick. There are societal choices to be made.

I know that Quebec would not have made that choice. I know that if Quebec had collected its tax money directly from the taxpayers, it would not have chosen to invest that money in armoured vehicles rather than in health care.

I would like my colleague opposite, if she can listen to me, to talk about the societal choices that are made here, in this House, and that have an impact not only in Quebec but in every province. These are the choices that have Canadians increasingly worried about their province's ability to provide them with the health care services they need, considering the fact that they have paid for these services but, for some reason or other, that money seems to have come to Ottawa on a one way ticket.

How is it that this money finds its way here but is not being returned where it should to fund something as essential and fundamental as health?

[*English*]

Lip service is a nice thing, but we should do something more. We heard from the MP opposite. I am waiting for your answer.

Mrs. Ur: Mr. Speaker, I thank the hon. member for his questions. To reassure the member, I indeed was listening. I had my earphone in and I did understand his question.

• (1645)

I can certainly vouch for the efficiencies within Health Canada as a health care professional. Dollars are being cut and a lot of Canadians are going to suffer.

The member can rest assured that with efficiencies within Health Canada, new technologies and research and development, they enable us to work more efficiently with less dollars and to look at eliminating duplication and look at where services can be done differently. This is the direction we are headed. It does not mean that Canadians will be getting less health care, but that they will get health care that all Canadians can afford, rich or poor. I can attest to that avenue in the health care system or any other department.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I would like the hon. member to expand in other areas the act covers besides the medicare or health insurance component.

One concern I have is in relation to section 4(2)(a) where it actually says that the department will be responsible for the promotion and preservation of the physical, mental and social well–being of the people of Canada. What I am thinking about here is the social well–being component of the statement. With the removal of welfare from the health and welfare department making it strictly health, does the hon. member not think that addressing the social well–being aspect is being inhibited now by having to deal and collaborate with other departments? Following on that, the Department of Consumer and Corporate Affairs was deleted and a lot of that mandate went to industry.

I feel that the department is being diluted in its ability to address the actual social component.

Mrs. Ur: Mr. Speaker, I thank my hon. colleague for her question. We have worked hard at health committee meetings and I understand her sincere question.

There has been sufficient research and involvement within Health Canada to make this diversity within the ministry as to who best can allocate for all Canadians. I believe the right choice has been made by looking at the ministry and the Department of Consumer and Corporate Affairs working in conjunction with Health Canada. It is going to be more productive because of the avenues taken and it will be beneficial to all Canadians.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I compliment the hon. member for Lambton—Middlesex on her debate on this important bill.

I know the member is a nurse by training. I also know she is a member of the important health subcommittee on AIDS. It is important for all members to understand that the federal government has a role to play in terms of major diseases such as AIDS which affect all Canadians.

Perhaps the hon. member would like to comment on the work she has seen through the subcommittee on AIDS that the federal government has been doing for the benefit of all Canadians.

Mrs. Ur: Mr. Speaker, I am pleased to be one of the members on the subcommittee for HIV–AIDS. It certainly has been a learning experience to say the least, to sit on that committee and hear witnesses.

The ministry has been allocating dollars proportionately to research regarding HIV–AIDS. Many issues have been addressed. This disease certainly is not under control by any means, judging from the stats that come by our desks daily. The dollars that have been funded through the minister have been allocated most effectively. I hope that in the not too distant future we will see positive ramifications from those dollars. There has been very good ongoing research.

Again, sitting on that committee has been a learning experience. I am sure its work will be most valuable to the House.

• (1650)

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I listened a few moments ago to the answer of the hon. member opposite. She said that access to health care should not depend on the wallet, that poor and rich people should have equal access to services. I could not agree more with that.

Some hon. members: Hear, hear.

Mr. de Savoye: I thank the members opposite for applauding these words. However, the question is: What kind of services? I have a problem I want to share with the hon. member. She will probably have an interesting answer and I am eager to listen to it.

Two years ago, former first minister Bourassa had skin cancer. Where did he go for treatment? Washington, D.C. I want to know if people with a fat wallet will have to cross the border to get proper treatment. How come Mr. Bourassa could not be treated either in Quebec or in Canada? What was special? How would health care in Canada be able to cope with such a situation?

I am sure the member has a proper answer and I am eager to hear it.

Mrs. Ur: Mr. Speaker, I again thank my hon. colleague with whom I had the pleasure of working on the health committee. I know his question is most sincere.

With respect to that individual, I believe it was freedom of choice. It was his choice to seek medical help elsewhere. I can also relate a story. My husband had a heart attack five years ago. I did not have to go south; I was able to deliver my husband to an emergency room. He was having a heart attack and they did not ask me what my bank account was. I was able to go in there with my only concern being to make sure my husband had the best health care service. I knew he had it because that is Canada's health care system.

[*Translation*]

The Acting Speaker (Mr. Kilger): This brings questions and comments to a close. 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 the following one: the hon. member for Mackenzie—public works.

[*English*]

We will now move on to the next stage of debate. We have exhausted the five hours of debate with 20–minute speeches and 10–minute questions and comments. We now go to straight 10 minute speeches without questions or comments.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am pleased to join with my colleagues to speak to Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts. I want to assure all Canadians who are watching today's debate that this is a housekeeping bill. It is not a bill encroaching on provincial powers. It is not a bill kidnapping powers. It is not a bill discussing a two tier system, one for the rich and one for the poor.

In any of the polls done, it has been shown that 89 per cent of Canadians believe we have the most important and the best health care system in the world. They believe in the principles involved in the health act: universality, portability, accessibility, comprehensiveness, public administration.

Health Canada has certain responsibilities that are implicit in its mandate. Bill C–95 is attempting to make this explicitly acknowledged. Bill C–95 is before the House at a time when so many things within the world of biomedical technology are before us.

Bill C–95 affirms a whole series of things we promised in our red book. Partnership and co–ordination are words that are very important to us as we move on this issue. Those are the reasons for this proposed legislation. It is to confirm the existence of the Department of Health and to specify that mandate working with the provinces, working for a holistic approach to health, taking into consideration the social as well as the physical and mental well–being of our population.

• (1655)

This proposed legislation contains a series of provisions concerning the transfer of responsibility. I want to affirm—I think there was general agreement on all sides—that the history of universal medicare and the health department are intertwined.

The department has played an essential role in the evolution of medicare from its infancy in the 1950s and 1960s to its current status as one of the most respected health systems in the world. Why is Canada's health system so respected? One of the reasons is that it is predominantly a single payer, publicly financed health system. That unique feature of our health system has been there from the beginning.

When we were putting in place universal hospital insurance coverage under the Hospital Insurance and Diagnostic Services Act, the federal government cost shared the start up of this component of the health system. The same happened when it came time to establish universal coverage for physician services under the Medical Care Act. Federal cost sharing was essential to assisting provinces and territories in establishing their medical care insurance programs. Medicare as we know it would not have gotten off the ground without the federal role in and commitment to health and its financing.

Cost sharing gave Canada universal hospital and medical care insurance, but cost sharing had its shortcomings. The change in financing arrangements in 1977 to block funding under the EPF, established programs financing, provided the provinces and territories with the flexibility necessary to focus beyond the traditional hospital and medical components of their health systems.

Anyone who says that the federal government is not a financial player in health is not looking at the numbers, which I will provide. In 1995–96, $15.5 billion in EPF health contributions will go to the provinces and territories. The long tradition of block funding and the flexibility it affords provinces and territories in their health programs will continue with the Canada health and social transfer.

Scheduled to begin in 1996–97, the CHST will transfer $26.9 billion to the provinces and territories for their health, post–secondary education and social assistance programs. In 1997–98, the CHST will contribute $25.1 billion. No one is denying the importance of the CHST reductions but let us put these reductions in perspective.

The reduction of $2.5 billion for 1996–97 amounts to less than 3 per cent of total estimated provincial spending on health, post–secondary education and social services and less than 2 per cent of provincial government revenues. The CHST is a balanced and fair approach to dealing with Canada's deficit and debt in making our health system fiscally sustainable.

Federal transfer reductions do not threaten our universal publicly financed health system. The minister has said this over and over in the House. Let us not be fooled by those who say it will and that privatization will save the health system.

The Canadian experience bears out results from studies by the Organization for Economic Co–operation and Development and the World Bank. Both have said that cost containment is more successful in health systems with a high share of public financing. The public share of health expenditures in Canada was about 72 per cent in 1993. The rest, 28 per cent, came from private sources ranging from employment based supplementary benefits to individual out of pocket purchases.

• (1700)

In terms of cost control the public sector succeeded in containing the rates of increase to 2 per cent in 1993. Private sector health expenditures grew three times faster, with an increase of 6.4 per cent.

Canada's publicly financed, single payer health system has the built in capability to pull various levers to rein in costs. Global budgets for hospitals and capping payments to physicians are two examples which come to mind. There are many others which provinces and territories can use without resorting to privatization or putting national health principles in jeopardy.

The federal government and the Department of Health played a key and necessary role in building our publicly financed, single payer health system which continues to reflect the values of fairness and equity on which the system was originally built. The need for a strong federal presence and role in health remains important in ensuring that fairness and equity are at the centre of our health system.

I assure all Canadians, especially the seniors in Etobicoke—Lakeshore who are watching the debate in the House, that Bill C–95 is a housekeeping bill and deserves the attention of all members.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Madam Speaker, it is a pleasure for me to speak today to Bill C–95. Health is one of the most important things in Canadian life, if not the most important. The human being is the most valuable resource we have. We can talk about resources, human and natural, but it is our human resources which make Canada the best country in the world.

Today a fundamental piece of legislation for the operation of the federal government is under discussion. Contrary to what has been implied in the House, the role of the federal government in health care is very important. It is crucial for the continued health and well–being of Canadians.

Everyone is familiar with the major role the federal government has played as the architect of a national health insurance system for Canada. Everywhere in the world it is regarded as an excellent example of public sector innovation in a crucial field of service provision. We should not forget what the health system in Canada was like before the advent of national health insurance.

Lack of infrastructure in the health area was highlighted during the Depression when financing was so desperately short that many doctors had to go on relief in the western provinces because patients could not pay their bills. Military recruiting drives for World War II demonstrated the poor health of the overall population, especially military aged males.

Saskatchewan pioneered the national health insurance model, first for hospital services and then for medical services.

The national health system we have today owes its origins to the leadership of consecutive federal governments, first to build infrastructure with hospital grants, with the Hospitals and Diagnostic Services Act and the Medicare Act, and in our own era with the Canada Health Act and established programs financing.

Who among us doubts the importance of this multi–decade effort to build a national health insurance system, both in terms of nation building and in terms of the security it provides each and every Canadian that their medical needs will be met regardless of their pocketbook.

We should not forget that the Canada Health Act, the last incarnation of this major national effort, is a piece of legislation which received all–party support in 1984.

Since this government was elected it has taken its responsibilities under the Canada Health Act very seriously. Under the private clinics policy a rigorous distinction is being drawn between the public health sector for insured services and entrepreneurial medicine. This is a critical distinction. No Canadian should be able to buy his or her way to the front of a queue for services. Services ought to be rendered on the basis of medical need, not by the pocket book.

• (1705)

As important as the CHA is, however, it is but a small part of the federal role in health. Health Canada is operative across Canada to ensure that the food Canadians eat, the drugs they consume and the medical devices they use are safe. It is important to recognize how much the department is operative behind the scenes to guarantee security in these areas. For example, for well–being during a baby examination, the immunization series is provided by a provincially paid practitioner but the quality of the vaccine and vaccination is ensured by the federal government.

Health Canada also plays a major role in encouraging both the public and private sectors to promote health and prevent illness and accidents.

Whatever the hazard of the day, smoking, AIDS, nuclear fall–out, radon, ebola, the plague, there is a Health Canada employee with direct responsibility for ensuring Canadians have the information they require to reduce their risk and that they are aware of the various protective strategies that exist to combat risk. They can build on those factors in their social and physical environment which will ensure Canadians are protected now and into the future.

Let us look at an instance of how this works. The ebola scare is fresh in Canadian minds. The Quarantine Act was recently invoked to ensure there was no risk of the ebola virus spreading in Canada. Networks of federal officials from Health Canada and with Health Canada's lead, many federal departments were mobilized to ensure security was always in place to reduce risk and follow up on any and all suspicious circumstances.

Working with Canadians across this great country of ours, using our public health intelligence of the highest calibre, Canadians acquired worldwide respect for their handling of the ebola crisis and their management of a situation with a high potential for panic and public disorder.

Ebola is but one of the many instances in which Health Canada rolls into action to protect Canadians. Many hazards have less public profile. Many require detailed risk assessment to determine how they should be managed. At all times Health Canada has the responsibility for dealing with the national dimensions of hazards to health and reducing them to ensure the high quality of life Canadians enjoy.

Another key role in the department is in the population health area. Recently we have come to understand the power of using population and sub–populations as the primary unit of analysis in the development of health policy and programming. The health status of populations is heavily influenced by a number of key health determinants including biology, income, education, environment, to mention a few. The department is now in the process of operationalizing the health determinants perspective on issues with the help of many of the country's most creative thinkers in the health area.

As an illustration, take Canada's children as a key sub–population. Concern is increasing about key social indicators such as rates of youth offences and incarceration. Quite recently there was a study on young women which is very troubling.

The preconditions for these increases in rates are set much earlier in the development of a young person. There are recognized determinants that are predictors of pathways that lead to healthy child development; for example, supportive families, social networks, parental employment and so on. There are others that are strong predictors of difficulties in achieving healthy development; for example, inadequate nutrition, high risk socialization patterns.

Important policy factors in development include developing positive relationships, experiencing success and developing self–esteem.

We need to take these types of development considerations into account if we are to build a society in which all young people are able to thrive.

• (1710)

Health Canada is working to make this possible. Programs such as prenatal nutrition and aboriginal headstart are breaking down many of the barriers to a healthy development.

With a population optic on these issues and key investments targeted early in life, we will achieve much to reverse some of society's most ingrained problems.

Health Canada has therefore a major role to play in improving Canadian society. Proof of these important efforts lies in the high quality of life Canadians continue to enjoy despite the rigours of the economic climate of today, the quality of which is unrivalled in the world and will do much to strengthen the federation as we proceed to implement the important post referendum change agenda.

I come from a rural riding. In that riding medicare is important but with the changes we have, the changes in technology for instance, practitioners and people with experience could use video conferences. We will be recruiting very young, good positions and finding ways to look after rural ridings.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

[*Translation*]

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 nays 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), a recorded division on the motion 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.

[*English*]

MANGANESE BASED FUEL ADDITIVES ACT

Hon. Michel Dupuy (for the Minister of the Environment, Lib.) moved that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed.

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Madam Speaker, I will explain to the House what is in Bill C–94 and why we are taking immediate action against MMT. I will also respond to some of the misplaced concerns expressed by members of the opposition as well as identify why the government is addressing the MMT question.

As many members are now aware, MMT is a manganese based fuel additive used to increase the octane rating of gasoline. It has been used in Canada since 1977 as a replacement for lead in unleaded gasoline. Lead was phased out of virtually all Canadian gasoline by 1990. Canada is one of the few countries that use MMT. The United States banned it from unleaded gasoline in 1978.

Gasoline containing MMT adversely impacts the operation of sophisticated onboard diagnostic systems. These OBD systems are important because they monitor the performance of emission control components in vehicles.

The auto industry has made the decision that it will no longer accept the risk of increased warranty repair costs caused by MMT related damage.

• (1715)

Some companies have even indicated they will disconnect the OBD systems in whole or in part and may reduce Canadian vehicle warranty coverage starting with the 1996 model year if MMT continues to be used in Canadian gasoline. That means the increased cost of maintaining these systems would be passed on directly to the Canadian consumer.

The Canadian Automobile Association is a 3.7 million member consumer advocate organization for automobile owners. During its presentation to the standing committee it articulately outlined concerns facing Canadians both environmentally and economically. It stated that MMT is a heavy metal based fuel additive. When the sensors of the OBDs are coated with the heavy metal they cannot properly detect oxygen.

It is easy to see then that when sensors give a false reading, the warning light signals the motorist and the motorist would bring the car in for unnecessary warranty covered repair work. This cost will undoubtedly be transferred to the consumer down the road in the form of higher automobile sale prices, making already difficult car purchases an impossibility for many prospective car buyers.

Because the new OBDs are an advanced system of detection that catches ignition problems as soon as they fall below standard, the CAA states that the new system of OBDs will be one of the best things that could happen to cars from an environmental perspective, and if MMT would reduce its effectiveness, CAA wholeheartedly endorses a ban on the substance.

Consumers will opt not to use MMT in their fuel. The Reform Party is against this ban. The Reform Party should remember to represent its constituents and not take the position of defending a special interest lobby group against the wishes and protection of the people of Canada.

Who is the Reform Party standing up for, Ethyl Corporation, an American based firm which is the sole manufacturer of MMT? Ethyl Corporation manufactures MMT in the U.S. and ships it to Canada.

The Reform Party claims there is no reason for this bill. It says the minister is unilaterally pushing the legislation through. This process began under the previous government, which saw the necessity to examine the MMT question.

Last October the Minister of the Environment urged both the automotive and petroleum producing industries to voluntarily resolve the issue of MMT in Canada by the end of 1994, otherwise the government would take action. This deadline was subsequently extended into February of this year to review automobile and petroleum industry proposals.

The matter was not resolved and so the federal government has had to step in. The result is Bill C–94. The MMT issue is no longer an industry dispute and this is important to understand. Its outcome can affect the vehicle emissions programs we are putting into place. It could also negatively impact the automotive sector which would pass the newly incurred costs on to the Canadian consumer.

Some members of the House have gone so far as to suggest MMT creates great benefits for Canada's environment. They suggest that nitrous oxide emissions are reduced by 20 per cent when MMT is used. What they do not say is that this claim is based on data collected by Ethyl Corporation, the makers of MMT, from test cars that were driven 50,000 to 110,000 miles. This was then extrapolated to 195,000 miles.

This does not take into consideration the adverse wear and tear of the automobile which is degraded over time. Because of this it has been determined that there has been no rigorous scientific basis for applying the Ethyl Corporation's average emission values to Canada–wide projections.

When examined in the context of the current Canadian fleet, Environment Canada's analysis indicates that NO_x reduction would be only about 5 per cent. This has been substantiated by the University of Waterloo institute for improvement in quality and productivity. The report also indicates that the results of a study by Ethyl Corporation on reduction of NO_x emissions greatly overestimates the reductions in NO_x.

The Ethyl Corporation experiments have not been shown to be representative of field vehicle use, and the scientific rigour of the experiments is uncertain.

Ethyl's research was conducted and presented by a private consultant from the U.S. When I asked about the extreme differences in statistical data between the Ethyl Corporation report and the University of Waterloo analysis, she replied: "Statistics is not an exact science. There isn't only one right way to look at a set of numbers".

• (1720)

As every member of the House knows, the University of Waterloo is a Canadian university whose research is of national and international acclaim. The University of Waterloo does not have a particular vested interest, being a public university. So whose interpretation of the statistics is more likely to be in the public interest?

What would the Reform Party know about scientifically proven environmental concerns? Very little. This is the same Reform Party whose member for Swift Current—Maple Creek—Assiniboia stated earlier in the House: "There is an awful lot of voodoo science around with respect to the effects of man made carbon dioxide on global warming". Can anyone believe this? Voodoo science?

I am continuously shocked by statements made by the Reform members who choose to ignore accepted realities. Of the 196 living Nobel Laureate scientists 99 along with roughly 2,000 other world scientists jointly signed an urgent warning to humanity. In their declaration they appealed to the people of the world to take immediate action to halt the accelerating damage threatening humanity's global life support systems.

I quote from their media release when I say human activities may so alter the living world that it will be unable to sustain life in the manner we know. A great change in our stewardship of the earth and the life on it is required if vast human misery is to be avoided. This kind of consensus is truly unprecedented.

The urgent appeal goes on to say that no more than one or a few decades remain before the chance to revert the threats we now confront will be lost and the prospects for humanity immeasurably diminished.

The Reform Party openly scorns the leading scientists of our planet. Voodoo science? Is the Reform Party suggesting the Nobel Prize is a mystical, voodoo award?

To return to the claim by Ethyl Corporation of a 20 per cent reduction of NO_x emissions, if this 20 per cent reduction claim were true, why would the people who make cars in this country be working hard to make onboard diagnostic systems so advanced if MMT fuel could do the job by itself? The reason they are working hard is simple. MMT does not provide the answers to NO_x reduction that its makers claim. Let us be very clear about this.

Los Angeles has some of the worst pollution problems in North America. California has taken strong action against environmental pollutants, including a ban on the use of MMT. If MMT is what Ethyl Corporation and the Reform Party advocate as a product to reduce NO_x emissions, perhaps they should consider why the state of California has acted decisively on the issue.

Canada is one of the few countries that uses MMT. While we are on the topic, some members opposite are citing a recent U.S. court hearing in favour of the Ethyl Corporation, the producers of MMT. MMT will still be banned in California and in those states that require federal reformulated gasolines to be used. That means 30 per cent of the United States will continue with the ban on the use of MMT in fuel.

Furthermore, witnesses have told the committee that given the negative consumer attitudes toward MMT it is very likely consumers will demand to use MMT free gasoline, just as the consumers have chosen to use unleaded gasoline. What is more, we have yet to see if the U.S. government will appeal the decision.

Some members opposite also quite conveniently fail to talk about what the onboard diagnostic system does and what can happen if and when MMT causes the system to fail. Onboard diagnostic systems are designed to monitor the performance of pollution control systems, in particular the catalytic converter, and alert the driver to malfunctions.

If the OBD system is not working a 50 per cent reduction in the efficiency of the catalyst translates into a twofold increase in emissions compared with a properly functioning vehicle. What we are talking about is the failure of new emissions technology in automobiles resulting in increased car emissions harmful to our environment.

Let us also be clear about the economic impact of removing MMT. Some members of the House have suggested the cost would be in the billions of dollars. In fact the costs will be small for the entire petroleum industry. Estimates of the costs of MMT removal provided by the industry itself range from $50 million to $83 million per year which means an additional one–tenth to one–quarter of a cent per litre increase at the pumps.

• (1725)

Furthermore, likely alternatives to MMT would be produced in Canada, creating more jobs and opportunities for Canadians, whereas MMT is produced exclusively in the U.S. My question to the members of the Reform Party is why are they opposing this bill? Whose interests are they protecting?

The bill has a number of important improvements for Canadians. here are some of the key highlights of the bill. It will prohibit the import or interprovincial trade for a commercial purpose of MMT or anything containing MMT. It will give the minister the power to authorize exceptions for MMT that will not be used in unleaded gasoline subject to a monitoring requirement. Coverage of the act can be expanded by order in council to cover other manganese based substances used in automotive fuel.

The act is binding on all persons and entities including the federal and provincial governments. The enforcement tools are similar to those in the Canadian Environmental Protection Act. The penalties are strict. For the unauthorized import or interprovincial trade of MMT the maximum penalty on summary conviction is a $300,000 fine and/or six months in jail, and on indictment the maximum fine is $1 million and/or three years in jail. For knowingly providing false or misleading information on the importation or interprovincial trade of MMT the penalties are the same but with a maximum of five years in jail instead of three on indictment.

On conviction, as in CEPA, the court can also order an additional fine equal to the monetary benefits resulting from the offence, prohibit conduct that may lead to a repeat offence and direct the offender to notify third parties about the conviction.

In summary, we have two polarized positions on this issue. On one hand, over 20 automotive manufacturers, competitors, independently came to the same conclusion that MMT is harmful to OBD systems on their cars, OBD systems that are necessary to reduce emissions. The CAA, a consumer advocate organization, supports this position. A report from the University of Waterloo supports its claims with regard to NOx emissions. It has undertaken a considerable amount of work to prepare its support of the ban. If MMT really reduced NOx in the quantities suggested by Ethyl Corporation it could reduce emissions for the automotive manufacturers for free.

On the other hand, we have an American company, the sole manufacturer of MMT, holding an opposing position. I remind the House that Ethyl Corporation fought against the reduction of lead in gasoline in 1984.

This legislation is for Canadians. It is to protect Canadians from increases in automobile prices. It is legislation to protect our environment by ensuring the effective use of new, advanced onboard diagnostic systems for cleaner exhaust emissions. It is my commitment to the people of York—Simcoe for a better community.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, we are now at third reading of Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese–based substances.

This bill is more directly aimed at prohibiting the commercial use of MMT in Canada. MMT is added to gasoline to raise its octane level, and, consequently, to improve engine performance. The Minister of the Environment reached this decision on April 5, and today we are being asked to vote on the decision to ban the use of MMT in Canada.

But the minister has not been very convincing in this matter. Indeed, there are many questions on this bill, which remain unanswered, and the minister totally refuses to look at them. She is dismissing all other analyses, studies and solutions put forward. It cannot be said that open–mindedness and a sense of conciliation are the strongest qualities of the Minister of the Environment, who is also Deputy Prime Minister.

In this case, as in many others, the minister has decided and stands firm, in spite of the strong opposition of the petroleum industry and Ethyl, the company producing MMT. The minister is closing her eyes and seems to be simply responding to the carmakers' lobby which, strange coincidence, is concentrated in her part of the country.

• (1730)

I am not saying that the automotive industry does not have valid reasons or arguments for not wanting MMT in its vehicles. I am simply saying that the minister is leaning to one side and that she does not listen to the arguments of the other side. But this attitude on the part of the Minister of the Environment is not new. In many other instances, she has acted the same way.

There is, among others, the ongoing and very disturbing case of the *Irving Whale*. Once more, the minister, through her lack of openness which, in my opinion, looks more and more like a lack of competence, is creating very serious problems that threaten the environment. The issue of the *Irving Whale*, a total fiasco, is a case in point.

By refusing to take into account studies made by Marex and CEF, the minister has embarked on an adventure which is dangerous for the environment of the gulf and which has already cost $12 million. This amount represents the total cost initially forecasted and the barge still lies on the bottom of the gulf.

It must be pointed out that the method chosen is not the safest one. The operations we saw this summer proved it and smacked of amateurism. I would also underline that the barge is still leaking, now more than ever. According to a report of the Canadian Coast Guard, more than 500 litrres have recently leaked from the wreck.

The Acting Speaker (Mrs. Maheu): The hon. member for Davenport on a point of order.

Mr. Caccia: Madam Speaker, I am sorry to interrupt, but I believe that the hon. member is not dealing with the bill presently before the House, Bill C–94.

The Acting Speaker (Mrs. Maheu): I believe you have raised a matter of debate.

Mrs. Guay: Madam Speaker, there are facts which have to be brought to light and this is part of the bill. The minister does not want to go further on this issue as in the case of the bill we are debating today. She stubbornly refuses to be further advised on such important decisions that have to be taken. Her reasons for refusing any new course of action clearly appear to be unfounded.

I would even go further and say that the minister definitely shows her bad faith on many issues, as we saw during Question Period in recent days. Her answers to questions relating to the environment showed her ignorance and incompetence. All she tells us, and I think it is totally childish and silly, is that, when he was Minister of the Environment, Mr. Bouchard, our leader, said this and that, did this, did not do that, and so on. This is how the minister has been answering our questions for the last two years.

Come on. Let us be serious and exercise a little intellectual rigor. On any other question, she is big on quotes, which proves that she is no authority and misinformed on important issues. Frankly, I think that such behaviour from a deputy prime minister is quite alarming.

As for the *Irving Whale*, she rejects the solution recommended in the Marex study, although it was commissioned by her department and the Coast Guard—

The Acting Speaker (Mrs. Maheu): I recognize the hon. member for Davenport on a point of order.

Mr. Caccia: Madam Speaker, I am sorry but again I must remind the member that the bill is about gasoline and the manganese content of gasoline. It is not about the *Irving Whale*. I invite the member to discuss the bill—

The Acting Speaker (Mrs. Maheu): Again, this is a matter of debate.

Mrs. Guay: Madam Speaker, as for the *Irving Whale*, the minister says she rejects the solution recommended in the Marex study, although it was commissioned by her department and the Coast Guard, because, according to her, this firm has financial interests in the pumping method it recommended.

Last week, after last summer's failed refloating attempt that cost us $12 million, the minister said she was rejecting the offer to strike an expert panel to review the issue, made by the Société pour vaincre la pollution, or SVP, on account of Daniel Green's financial interest in this proposal. I recall that, last year, the minister went as far as claiming in this House that SVP had gone bankrupt. She has some nerve. What is obvious is that the minister is always trying to discredit those who think differently from her in order to compensate for and hide her incompetence and lack of action in several areas

Discrediting is what the minister does best. On another—

• (1735)

The Acting Speaker (Mrs. Maheu): Order, please. The member for Davenport, on a point of order.

Mr. Caccia: Madam Speaker, again I am sorry, but it seems to me that we must adhere to the rule of relevancy. We are debating Bill C–94.

The Acting Speaker (Mrs. Maheu): I would ask the member to make a connection between her comments and the bill before us.

The member for Gaspé, on a point of order.

Mr. Bernier (Gaspé): Madam Speaker, currently the Bloc Quebecois is the official opposition in Ottawa. Whether they like it or not, people will have to listen to what we have to say. The member for Davenport is simply filibustering.

The Acting Speaker (Mrs. Maheu): This is not a point of order.

Resuming debate. The member for Laurentides.

Mrs. Guay: Madam Speaker, if I was allowed to make my speech, the connection with Bill C–94 would become obvious; I would ask the member for Davenport to listen for once and stop his filibustering during my speech. I will respect his to the extent he will respect mine. Allow me to continue.

To another question I was asking him regarding—

Mr. Caccia: It is about time.

Mrs. Guay: Madam Speaker, could you call the member to order and ask him to show some respect?

The Acting Speaker (Mrs. Maheu): Order, please.

Mrs. Guay: I can go on then. I asked the minister another question concerning the ban on PCB exports to the United States. The minister said in this House that she was making representations to the EPA, the U.S. Environmental Protection Agency.

A few days later, we received confirmation from the chair of the hearings on the PCB issue that the EPA had never heard from our environment minister on that issue, in spite of the invitation extended by the EPA to the minister. Just smoke and mirrors once again, Madam Speaker.

Why is the minister saying such poppycock? Does she really think Canadians are that naive?

It is easy to see that environmental stakeholders are disenchanted with the minister's performance. She who was to be the great champion of the environment became the great speechmaker on the environment instead. As we say in Quebec, she is all talk and no action.

Bill C–94 follows this erroneous way of—

The Acting Speaker (Mrs. Maheu): The hon. member for Peterborough, on a point of order.

[*English*]

Mr. Adams: Madam Speaker, I rise on a point of order. I listened to part of this speech on television and I have just arrived in the House. I was under the impression that we were debating Bill C–94, the Manganese based Fuel Additives Act. I wonder if I have arrived at the wrong time.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I would ask the member to make sure her comments relate to Bill C–94.

The hon. member for Gaspé, on a point of order.

Mr. Bernier (Gaspé): Madam Speaker, two liberal members have now interrupted my colleague. She is doing a good job.

The Acting Speaker (Mrs. Maheu): This is not a point of order either.

The hon. member for Laurentides.

Mrs. Guay: Madam Speaker, I will go on until my speech is finished.

Bill C–94—I hope this will please my colleagues—is just one more example of this improper way of doing our best. The minister started out with an idea and she will not change her mind, even if her idea is not the best one. It is impossible to go any further with other studies and analyses. The minister said no, and her no is irrevocable. Yet, there is room for debate on the issue of MMT. Let us look at the arguments both sides are making, and try to find the best route to follow.

First, we will talk about the MMT lobby, which is composed of oil companies and Ethyl Corporation. This lobby came to defend MMT before the standing committee, besides meeting many members of Parliament.

The MMT lobby tells us that by removing this additive from gasoline, we will aggravate the problem of urban smog, since we are increasing the nitrogen oxide emissions by 20 per cent. Health Canada studies indicate that the MMT additive does not constitute a major threat for human health.

• (1740)

Independent laboratory experiments prove that, contrary to the statements made by the automobile lobby, MMT used in Canada is totally compatible with the new onboard diagnostic systems for pollution control, the OBD–II systems.

Also according to the MMT lobby, the U.S. Environmental Protection Agency should reintroduce this additive very soon in that country. In fact, under an October 20 ruling by the United States Court of Appeal, District of Columbia, in the case Ethyl v. Browner, chief administrator of the EPA, the EPA has been compelled to register MMT as an additive for unleaded gasoline, something the EPA had refused to do until now. In its ruling, the court stated:

[*English*]

On November 30, 1993 the EPA found that MMT had no adverse effects on automobile emission control systems.

[*Translation*]

Consequently, the EPA was recognizing de facto that MMT did not adversely affect pollution control systems. At the refining stage, MMT allows to reduce some polluting emissions. It would cost refineries about $100 million in capital and about $10 million in operating expenses to replace MMT. Plants would then have to extend the whole refining process. Extra refining costs more money and pollutes more.

So, these are essentially the arguments made by the MMT lobby. I want to emphasize that, to substantiate its arguments, only Ethyl Corporation made a series of experiments on the effect of MMT on vehicle pollution control devices. You tell us that those tests go back quite some time and that the same components are no longer used? That may be, but Ethyl was the only one to conduct those tests, which seem to prove that MMT does not gum up the systems.

Furthermore, the carmakers' lobby claims that MMT affects the emission control system and more specifically the electronic pollutant detection system. In concrete terms, this system uses a light to indicate that your car's emission control device is defective.

However, there is no scientific evidence to sustain the theory of MMT causing a malfunction of this light. The carmakers' lobby tells us they have evidence, but they have made nothing public to prove it. Besides, the industry in the United States is only just beginning to conduct scientific tests to support its claims.

To bring more pressure to bear, the minister, together with the carmakers' lobby, is claiming that it could cost as much as $3,000 more to buy a car, that guarantees could be reduced, and even that the famous detection device could be disconnected.

After checking recently, we found that the guarantees on 1996 cars have not yet been changed, contrary to what the minister was claiming. This pressure can be seen as a form of blackmail on the part of the industry, but according to the minister, it is serious.

The other major argument used by the minister has to do with the harmonization of fuel standards in Canada with those in the United States. Now, as we saw earlier, the U.S. could very soon have the same MMT rates that we presently have in Canada. Some even talk about next December, when close to 50 per cent of American refineries could use MMT.

If this should happen, the minister, who is now talking about harmonization, would look rather silly. Why not wait a few weeks and see what happens in the United States? This is what both sides are saying.

The minister, who naturally tends to lean towards the car manufacturers' lobbyists, has decided to order this ban, not because of the toxic or polluting effects of the MMT on health, but because of its impact on a new electronic system being used in cars.

MMT in itself is not recognized as a toxic or hazardous product as evidenced by the fact that the minister cannot regulate the use of this product through the Canadian Environmental Protection Act, or CEPA, which deals with toxic substances. The minister has no other alternative but to pass a specific act on the sale of this product.

In her press release dated April 5, the minister indicates that this decision follows almost two years of discussions between the oil industry and the automotive industry. One can wonder about the relevancy of these discussions and their true value, since the minister has warned both parties that, if they did not come to an agreement, an act banning MMT would be passed.

• (1745)

In saying so, was the minister not telling the automotive industry: "There is no need to discuss this much further, since I support your position and will legislate on this matter."

Again, the minister was showing her clear support for the automotive industry, which does not want to use MMT anymore and does not seem to support any of the fuel additives. Therefore, I wonder what will happen to ethanol, a favourite among additives, for which the government has recently set up a $70 million investment program.

If the automotive industry does not want to hear about additives, why would the government want to develop such a product? What a blatant inconsistency it is to ban one additive while speaking of developing another one, when the automotive industry does not want any additives at all.

How can we be sure that the automotive industry will not soon ask the government to ban ethanol because of its negative effects on a component or some equipment used in their cars? It is certainly not easy to rule in favour of one side or the other. The arguments used look valid. However, the ball is now obviously in the court of the automotive industry and of the minister who, once again, has not done her homework in a responsible and transparent manner.

Granted, the automotive industry knows these systems well but its concerns about the effects of MMT are not based on scientific studies. It is important to note that the automotive industry has made great progress in the exhaust emission control over the past 25 years. According to a study by the Canadian Automobile Association, the adoption of emission standards has greatly improved air quality. Indeed, the study reveals that, for every kilometre driven, a 1970 model polluted as much as 20 cars made in 1995. As far as I know, all this progress has been made in spite of the presence of MMT in fuel.

One can give the benefit of the doubt to the automotive industry as the minister does, but that does not seem enough. I firmly believe that it would be a great mistake to always give the benefit of the doubt on environmental issues.

One needs accurate information to make the best decisions. One must not to be afraid to ask for more. On environmental issues, asking for too much is better than asking for too little. It is the future of this planet that is in jeopardy, the survival of our children. Care must be taken not to make decisions lightly and without sufficient justification.

The minister has not done so, right from the beginning of her mandate. I would like to quote an article over the byline of Terrence Corcoran in the *Globe and Mail* of October 21, headlined "Sheila Galileo meets MMT". It reads as follows:

[*English*]

> Scientific rigour has never been at the heart of the environment movement, nor does it appear to be the first love of Canada's Environment Minister—In a speech last Monday, Ms. Copps demonstrated her scientific flair by accusing all who doubt the existence of the greenhouse effect as "the same kind of people who rejected Galileo".
>
> Now there's nothing deeply offensive about that accusation, except that it came from Ms. Copps midway through a speech in which any kind of science, let alone good science, was totally ignored. Speaking to the international panel on climate change in Montreal, Ms. Copps reviewed a list of "weather events from this summer documented by scientists" to prove the existence of the greenhouse effect.
>
> Space does not permit a full rundown, but here are some of the items identified by Sheila Galileo as evidence for the greenhouse effect: the second worst year in history for forest fires; record rains in Alberta; record electricity production in Ontario; the death of a half million chickens and turkeys on one August weekend; wind damage on every property in Oxbow, Saskatchewan; a record number of icebergs floating off Newfoundland; a steady stream of migraine sufferers, heart patients and asthmatics admitted to hospital emergency departments.

> Ms. Copps said "these are facts provided by Canada's leading scientists". Could be, although the list looks more like the output of a good newspaper clipping service.
>
> There's already evidence that bad science, or no science at all, drives environmental politics in Canada, and Ms. Copps is at the leading edge of the movement. Indeed, her department and the entire Government of Canada are now up to their test tubes in a murky scientific and political game they've been playing over a gasoline additive called MMT. In the wake of a ruling yesterday by a Washington court over MMT use in the United States, there's now a good chance that Ottawa's entire fuel emissions program is about to go up in a cloud of smoke, the victim of scientific and political negligence.

• (1750)

[*Translation*]

End of quote, Madam Speaker.

So much for the scientific rigour of the Minister. In light of the information available at this time, and recent developments in the US, I feel that delaying adoption of this bill is mandatory. It seems vital for studies by independent experts to be carried out to set us completely straight, so that we will have a clear idea of the impact of MMT—and why not of any other additive such as ethanol—on pollution control systems. This would be a more appropriate and more reasonable approach as things stand at the present time.

When the Minister of the Environment is constantly speaking of harmonization, bragging that this is what her policy is all about, a lot of questions come to mind. Canada is composed of provinces, each of which has an environmental policy, each of which has different needs depending on its industries. Our environment must be constantly improved, and I am convinced they are all aware of that.

In Quebec, the environment is the third–ranking priority after jobs and health. The minister must learn how to listen to people instead of stubbornly dictating her philosophies to them. The mistakes in the Department of the Environment have done nothing but constantly increase under her leadership. Her reputation as a brawler was normal when she was in the opposition. But now that she is in power, it is her duty to examine issues thoroughly, carry out studies when uncertain, and harmonize with the provinces, in other words forget all that stuff about sustainable development and the environment.

Let the minister show us, and prove to us, her true desire to make positive and realistic pro–environment decisions, not politically dictated ones. It is obvious that she seems determined to move this bill through at any price. We cannot support it, therefore, because we feel it lacks a large number of elements for banning MMT in Canada. In the aftermath of the American decision of October 20, we find it extremely difficult to support a bill that will no longer harmonize in the least with the US decisions.

Madam Minister, get back to your books, and you can write a makeup test later on.

[*English*]

Mr. David Chatters (Athabasca, Ref.): Madam Speaker, I rise again to take part in the debate on Bill C–94.

First I thank all the witnesses who came before the committee to discuss and make presentations on this subject. It really was unfortunate that it was apparent right from the introduction of the bill and the hearings in committee that members of the government were not really interested in hearing, listening or learning any of the facts behind the issue. They were destined to support the political agenda of the Minister of the Environment or they would face the wrath of the minister. We on this side of the House certainly know how intimidating that can be.

From the very beginning it was apparent to me that either one side or the other on this issue was distorting the facts brought before us. Therefore my staff and I spent the summer doing extensive research into the issue. The more we studied, the more convinced we became that the minister was not so much concerned about protecting the environment as she was about fulfilling a political commitment.

I will review some of the facts that led me to this conclusion. On the issue of the onboard diagnostic computer system, the contention brought out in committee was the question of whether or not MMT gums up the OBD II systems.

In December 1993 following the largest fuel additive testing program in the history of the U.S. EPA, it was concluded that the use of MMT would not cause or contribute to the failure of any emission control device or system including onboard diagnostic systems.

• (1755)

The EPA, the U.S. court and subsequently the U.S. Court of Appeal rejected concerns about the impact of MMT on OBD systems as presented by U.S. automakers. U.S. automakers have experienced significant difficulties with the certification of OBD systems in United States where MMT is not currently used in unleaded gasoline.

The U.S. EPA and the California Air Resources Board have recently changed their regulations to allow for certification of vehicles that do not comply with the OBD II requirements. The U.S. EPA stated in the federal register that automobile manufacturers have expressed and demonstrated difficulty in complying with every aspect of the OBD requirements. Such difficulty appears likely to continue into 1996 and 1997 model years.

In Canada, the Motor Vehicle Manufacturers' Association appears to be blaming OBD II system difficulties on MMT. MVMA members have lobbied the Canadian government threatening to disconnect OBD warning systems and pass costs on to consumers unless the government passes legislation to ban MMT. The Canadian government appears to have responded to the threats without noting that vehicle manufacturers have failed to achieve OBD II certification in the U.S. for most new car models.

Furthermore I should like to know how the minister could explain her statement that if vehicle manufacturers carry through on threats to remove OBD systems it would result in a tenfold increase in vehicle emissions. This is simply representative of the rhetoric coming from the minister and from that side of the House with no real facts to back up those statements. This false claim shows a fundamental misunderstanding of the technical issues involved and underlines the need for an independent technical assessment of the MVMA claims.

OBD systems do not reduce emissions on vehicles. OBD is a monitoring system designed to notify the driver when emission control equipment does not operate properly. Removal or more likely the disconnection of OBD systems would only serve to prevent a dashboard malfunction indicating light from illuminating, which is exactly what is happening already in the United States without MMT. No emission control equipment would be removed from the vehicle.

The issue of sparkplug failure was used by the minister with great gusto to demonstrate her reason for banning MMT. General Motors Canada has claimed that MMT is responsible for warranty claims for sparkplug failure being 17 times higher in Canada than in the U.S. It is alleged that higher claims are due to manganese deposits on sparkplugs causing the plug to arc under certain conditions from electrode to the outer shell rather than from electrode to electrode.

Arcing leads to sparkplug misfire which can contribute to drivability problems. The Minister of the Environment has cited these claims to help justify her proposed legislation to remove MMT. However she failed to point out that automakers' claims related to one type of platinum tipped sparkplug used primarily in a one–engine version used in GM automobiles. The sparkplug in question was discontinued by GM indicating the problems were related to the design of the plug, not MMT. No casual link was ever established between MMT and sparkplug problems and no warranty data have ever been made public.

To further assess the validity of GM's concerns independent testing was conducted by the Southwest Research Institute in San Antonio, Texas, using the platinum tipped long life plugs used in all 1994 2.2 Chevrolet Cavaliers. The goal of the study initiated with General Motors Corporation in the U.S. was to determine the differences between new sparkplug failures and the plugs were provided by GM.

The sparkplugs were fired under a power supply that increased output to the plugs in a ramped manner. Current leakage until the plugs fired was measured and movies were taken to document whether arcing occurs between electrodes or from electrode to shell.

* * *

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

The House resumed from November 2 consideration of the motion that Bill C–88, an act to implement the agreement on internal trade, be read the second time and referred to a committee.

The Acting Speaker (Mrs. Maheu): It being six o'clock, pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division at second reading of Bill C–88.

Call in the members.

[*Translation*]

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

(*Division No. 365*)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Assadourian
Augustine	Baker
Bakopanos	Barnes
Bélair	Bélanger
Bellemare	Bertrand
Bethel	Bhaduria
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Caccia	Calder
Catterall	Cauchon
Chamberlain	Clancy
Cohen	Collenette
Cowling	Culbert
DeVillers	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	English
Fewchuk	Finlay
Flis	Fontana
Fry	Gaffney
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gerrard
Godfrey	Goodale
Gray (Windsor West/Ouest)	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Ianno	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
Lavigne (Verdun—Saint–Paul)	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Loney
MacAulay	MacDonald
Maloney	Marchi
Massé	McCormick
McGuire	McKinnon

McLellan (Edmonton Northwest/Nord–Ouest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Ouellet
Payne
Phinney
Proud
Regan
Robichaud
Rock
Sheridan
St. Denis
Szabo
Tobin
Ur
Vanclief
Walker
Whelan
Young—121

McTeague
Milliken
Minna
Murphy
Nault
O'Reilly
Paradis
Peric
Pickard (Essex—Kent)
Reed
Ringuette–Maltais
Robillard
Shepherd
Simmons
Stewart (Brant)
Terrana
Torsney
Valeri
Verran
Wells
Wood

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brien
Chrétien (Frontenac)
de Savoye
Duceppe
Fillion
Gagnon (Québec)
Gouk
Guay
Hanger
Harper (Simcoe Centre)
Hill (Prince George—Peace River)
Johnston
Landry
Marchand
Mercier
Morrison
Penson
Ramsay
Robinson
Sauvageau
Silye
Speaker
Thompson
Williams—57

Althouse
Bachand
Benoit
Blaikie
Bridgman
Chatters
Cummins
Deshaies
Epp
Frazer
Gilmour
Grey (Beaver River)
Guimond
Hanrahan
Hart
Jennings
Lalonde
Lavigne (Beauharnois—Salaberry)
McClelland (Edmonton Southwest/Sud–Ouest)
Meredith
Nunez
Picard (Drummond)
Ringma
Rocheleau
Schmidt
Solberg
Stinson
White (Fraser Valley West/Ouest)

PAIRED MEMBERS

Beaumier
Bergeron
Blondin–Andrew
Campbell
Canuel
Chan
Crawford
Dalphond–Guiral
Dhaliwal
Dumas
Gauthier
Grose
Jacob
Langlois
Lebel
Lefebvre

Bélisle
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Cannis
Caron
Collins
Crête
Debien
Dubé
Finestone
Godfrey
Harb
Jordan
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)

Leroux (Shefford)
Maclaren
Malhi
Marleau
Ménard
Paré
Pomerleau
Scott (Fredericton—York—Sunbury)
Stewart (Northumberland)
Tremblay (Rimouski—Témiscouata)
Venne

Lincoln
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
McWhinney
O'Brien
Peters
Rideout
St–Laurent
Thalheimer
Tremblay (Rosemont)
Verran

The Acting Speaker (Mrs. Maheu): I declare the motion carried. The bill is therefore referred to the Standing Committee on Industry.

(Bill read the second time and referred to a committee.)

* * *

[*English*]

NATIONAL HOUSING ACT

The House resumed from November 3 consideration of the motion that Bill C–108, an act to amend the National Housing Act, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45, the House will now proceed to the taking of a deferred division on the amendment to Bill C–108, an act to amend the National Housing Act.

The question is on the amendment.

Mr. Boudria: Madam Speaker, if you were to seek it I believe you would find unanimous consent that those members who were present for the vote on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay on the amendment to second reading of Bill C–108.

[*Translation*]

Mr. Duceppe: Members of the Bloc Quebecois also oppose this amendment.

[*English*]

Mr. Ringma: All real Reformers will vote yes to the amendment, Madam Speaker.

Mr. Blaikie: Madam Speaker, all real New Democrats will vote no.

Mr. Bhaduria: Madam Speaker, I will be voting against this amendment.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 366)

YEAS

Members

Ablonczy
Breitkreuz (Yorkton—Melville)
Chatters
Epp
Gilmour
Grey (Beaver River)
Hanrahan
Hart

Benoit
Bridgman
Cummins
Frazer
Gouk
Hanger
Harper (Simcoe Centre)
Hill (Prince George—Peace River)

Jennings	Johnston
McClelland (Edmonton Southwest/Sud–Ouest)	Meredith
Morrison	Penson
Ramsay	Ringma
Schmidt	Silye
Solberg	Speaker
Stinson	Thompson
White (Fraser Valley West/Ouest)	Williams—32

NAYS

Members

Adams	Alcock
Allmand	Althouse
Anawak	Anderson
Assadourian	Asselin
Augustine	Bachand
Baker	Bakopanos
Barnes	Bélair
Bélanger	Bellehumeur
Bellemare	Bernier (Gaspé)
Bertrand	Bethel
Bhaduria	Blaikie
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Caccia
Calder	Catterall
Cauchon	Chamberlain
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Cowling	Culbert
de Savoye	Deshaies
DeVillers	Dingwall
Discepola	Dromisky
Duceppe	Duhamel
Dupuy	Easter
English	Fewchuk
Fillion	Finlay
Flis	Fontana
Fry	Gaffney
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)	Gallaway
Gerrard	Godfrey
Goodale	Gray (Windsor West/Ouest)
Guarnieri	Guay
Guimond	Harper (Churchill)
Harvard	Hopkins
Hubbard	Ianno
Irwin	Jackson
Keyes	Kirkby
Knutson	Kraft Sloan
Lalonde	Landry
Lastewka	Lavigne (Beauharnois—Salaberry)
Lavigne (Verdun—Saint–Paul)	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Loney
MacAulay	MacDonald
Maloney	Marchand
Marchi	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord–Ouest)
McTeague	Mercier
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
Nunez	O'Brien
O'Reilly	Ouellet
Paradis	Payne
Peric	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Proud	Reed
Regan	Ringuette–Maltais
Robichaud	Robillard
Robinson	Rocheleau
Rock	Sauvageau
Shepherd	Sheridan
Simmons	St. Denis
Stewart (Brant)	Szabo
Terrana	Tobin
Torsney	Ur
Valeri	Vanclief
Verran	Walker
Wells	Whelan
Wood	Young—146

PAIRED MEMBERS

Beaumier	Bélisle
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Blondin–Andrew	Bouchard
Campbell	Cannis
Canuel	Caron
Chan	Collins
Crawford	Crête
Dalphond–Guiral	Debien
Dhaliwal	Dubé
Dumas	Finestone
Gauthier	Godfrey
Grose	Harb
Jacob	Jordan
Langlois	Laurin
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
Maclaren	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Manley
Marleau	McWhinney
Ménard	O'Brien
Paré	Peters
Pomerleau	Rideout
Scott (Fredericton—York—Sunbury)	St–Laurent
Stewart (Northumberland)	Thalheimer
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne	Verran

[*Translation*]

The Acting Speaker (Mrs. Maheu): I declare the amendment negatived.

* * *

DEPARTMENT OF HEALTH ACT

The House resumed consideration of the motion that Bill C–95, an Act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on the amendment of Mrs. Picard to Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts.

Mr. Boudria: Madam Speaker, if you were to seek it, I think you would find that the House agrees that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay on the amendment to Bill C–95.

Mr. Duceppe: Bloc Quebecois members will vote yea on the amendment.

[*English*]

Mr. Ringma: Madam Speaker, those Reformers who want to will vote yes and those who want to vote no can vote no.

Mr. Blaikie: New Democrats present in the House will vote against the amendment, Madam Speaker.

Mr. Bhaduria: Madam Speaker, I am voting against this amendment.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 367)

YEAS

Members

Ablonczy
Bachand
Benoit
Breitkreuz (Yorkton—Melville)
Brien
Chrétien (Frontenac)
de Savoye
Duceppe
Fillion
Gagnon (Québec)
Gouk
Guay
Hanger
Harper (Simcoe Centre)
Hill (Prince George—Peace River)
Johnston
Landry
Marchand
Mercier
Morrison
Penson
Ramsay
Rocheleau
Schmidt
Solberg
Stinson
White (Fraser Valley West/Ouest)
Asselin
Bellehumeur
Bernier (Gaspé)
Bridgman
Chatters
Cummins
Deshaies
Epp
Frazer
Gilmour
Grey (Beaver River)
Guimond
Hanrahan
Hart
Jennings
Lalonde
Lavigne (Beauharnois—Salaberry)
McClelland (Edmonton Southwest/Sud-Ouest)
Meredith
Nunez
Picard (Drummond)
Ringma
Sauvageau
Silye
Speaker
Thompson
Williams —54

NAYS

Members

Adams
Allmand
Anawak
Assadourian
Baker
Barnes
Bélanger
Bertrand
Bhaduria
Bodnar
Boudria
Brushett
Caccia
Catterall
Chamberlain
Cohen
Cowling
DeVillers
Discepola
Duhamel
Easter
Fewchuk
Flis
Fry
Gagliano
Gallaway
Goodale
Guarnieri
Harvard
Hubbard
Irwin
Karygiannis
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
MacAulay
Maloney
Massé
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Ouellet
Payne
Phinney
Proud
Regan
Robichaud
Robinson
Shepherd
Simmons
Stewart (Brant)
Terrana
Torsney
Valeri
Verran
Wells
Wood
Alcock
Althouse
Anderson
Augustine
Bakopanos
Bélair
Bellemare
Bethel
Blaikie
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cauchon
Clancy
Collenette
Culbert
Dingwall
Dromisky
Dupuy
English
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Gray (Windsor West/Ouest)
Harper (Churchill)
Hopkins
Ianno
Jackson
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacDonald
Marchi
McCormick
McKinnon
McTeague
Milliken
Minna
Murphy
Nault
O'Reilly
Paradis
Peric
Pickard (Essex—Kent)
Reed
Ringuette-Maltais
Robillard
Rock
Sheridan
St. Denis
Szabo
Tobin
Ur
Vanclief
Walker
Whelan
Young—124

PAIRED MEMBERS

Beaumier
Bergeron
Blondin-Andrew
Campbell
Canuel
Chan
Crawford
Dalphond-Guiral
Dhaliwal
Dumas
Gauthier
Grose
Jacob
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Maclaren
Malhi
Marleau
Ménard
Paré
Pomerleau
Scott (Fredericton—York—Sunbury)
Stewart (Northumberland)
Tremblay (Rimouski—Témiscouata)
Venne
Bélisle
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Cannis
Caron
Collins
Crête
Debien
Dubé
Finestone
Godfrey
Harb
Jordan
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
MacLellan (Cape/Cap-Breton—The Sydneys)
Manley
McWhinney
O'Brien
Peters
Rideout
St-Laurent
Thalheimer
Tremblay (Rosemont)
Verran

● (1830)

[*Translation*]

The Acting Speaker (Mrs. Maheu): I declare the amendment lost.

Adjournment Debate

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PUBLIC WORKS

Mr. Vic Althouse (Mackenzie, NDP): Madam Speaker, on October 19, I questioned the minister of public works regarding some problems over the summer with harassment of a female engineer on the job site outside the Peace Tower.

The ministry of public works subsequent to that harassment rewarded one of the subcontractors with further work, including the whole of the Centre Block. I was wondering why the minister would allow his officials to do that. He replied that "notwithstanding the fact it is beyond the legal ramifications of the Government of Canada in terms of privity of contract, we will ensure this kind of behaviour is not tolerated".

Since that time it has come to my attention that officials at public works have been closing their eyes to this sort of behaviour for some time. In fact, this same company, Colonial Builders, and Mr. Karmash who is the perpetrator on this site, have been active on other sites in previous summers, including the Kingston military college and the Kingston penitentiary. Harassment of another female engineer took place to the point where her supervisor took over because it was virtually impossible to work with the subcontractor on the site. He would simply have nothing to do with a female on his job site.

Public works should have been aware of this pattern of behaviour, yet it has continued to permit the company and this individual to do work of very great importance since that time, including work on the Parliament Buildings.

Public Works officials have not shown much competence or judgment, not only in this matter but in other matters related to it. The minister is aware that the female engineer's crew walked off in sympathy with her plight and were left being owed approximately $165,000. Public works officials have not acted there either.

In order to receive pay for work completed, the contractor and subcontractor have to fill out statutory declarations. They swear that all work they are billing the government for has been completed and that all payments have been made. The statutory declarations could not have been very accurate on the Peace Tower project because if the declarations were true, the group of workers who were with Ann Raney and who are still owned some $165,000 would have been paid. Yet the statutory declaration stating that all accounts are paid and up to date have been submitted and paid by Public Works Canada.

That they are owed the money is not in dispute. The court has in fact found in their favour and has permitted a lien to be placed against the Peace Tower project. Surely that should tell officials at the department of public works that something is wrong. The minister should be aware and should be making certain that he finds out why his officials are so lax in their duties. Not only does public works appear to support and justify the harassment of women on the worksite, but it appears to be ignoring the basic management and accounting procedures that are its role as well.

I call on the minister to assure us that his department will act honourably and see to it that justice is done in this case. These workers who had the strength of character to do the right thing in resisting the unfairness of the harassment against their female engineer must not be the only Canadians who resist harassment of females on the worksite.

The public and this House expect nothing less than fair treatment and justice from our government departments and from their officials. The minister must act now.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, I thank the hon. member for Mackenzie for giving the government a chance to respond to this matter because it is a very important subject.

[*Translation*]

First it is a matter of taking stock. Public Works and Government Services Canada concluded a contract with Fuller Construction, the principal contractor in the Peace Tower restoration project. Therefore, this department must ensure the quality of the work being done on the Peace Tower and that the work done by Fuller Construction, the general contractor, meets very high standards.

[*English*]

The issue raised by the member for Mackenzie concerns a dispute between two subcontractors working on the project, Pro–Tech Building Restoration and Colonial Building Restoration. The dispute, based on the non–payment of wages and harassment, has resulted in Pro–Tech being removed from the job by Colonial. An employee of Pro–Tech, Ms. Ann Raney, has made allegations of gender discrimination.

[*Translation*]

In this matter, the government has a contractual link with Fuller Construction only, whereas the dispute involves the two subcontractors: Pro–Tech and Colonial. Public Works therefore

has no direct involvement with the subcontractors working on the project.

[*English*]

However, the contract with Fuller Construction, like any other major work contract, includes an anti–discrimination clause. As I said before, Public Works Canada's contract specifications do not permit discrimination in hiring in the workplace.

[*Translation*]

As the general contractor, Fuller is responsible for settling this dispute.

[*English*]

I am pleased to inform the House that progress is being made and that the general contractor has taken steps to ensure that a solution is reached in the very near future. Both parties have agreed in principle to resolve the alleged discrimination issue through a third party independent arbitrator. Until the issue is resolved, the party alleged to have harassed has been removed from the job by Fuller.

[*Translation*]

The member for Mackenzie also raised the question about ownership of the tools. I would like to take this opportunity to set the record straight. On August 18, 1995, tools worth $5,000 were taken from the site. These tools remain in the hands of the Ottawa–Carleton police.

[*English*]

I would like to assure members of the House that complaints of the nature raised by Ms. Raney are taken very seriously by the minister of public works. His department does not tolerate harassment or discrimination.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.39 p.m.)

HOUSE OF COMMONS

Tuesday, November 7, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

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NATIONAL DEFENCE

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table in both official languages a report entitled "The Special Commission on the Restructuring of the Reserves".

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PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. It has been signed by a number of Canadians from Deloraine, Manitoba.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

• (1005)

JUSTICE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have the privilege to present two petitions signed by people in my constituency who were outraged over the murder of Melanie Carpenter and who continue to press for changes to the criminal justice system to address what they feel are inadequacies in the system.

The petitioners call on Parliament to permit the use of post–sentence detention orders and to limit the freedoms of high risk offenders. If Parliament hears this petition, innocent people like Melanie Carpenter will remain alive, and dangerous ones like her murderer, if he were still alive, would stay behind bars.

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QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

The House resumed from November 6 consideration of the motion that Bill C–108, an act to amend the National Housing Act, be read the second time and referred to a committee.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise to speak to Bill C–108 at second reading, a bill to amend the National Housing Act.

I can speak from firsthand experience of the federal government's concern in social housing matters. I am pleased to represent the riding of Etobicoke—Lakeshore where the government is funding projects such as Kilcooley gardens co–op and William Kinnett co–op housing, housing residents who are single parents and persons with disabilities.

I am proud to be part of a government that supports non–profit housing, promotes the security of tenure and a sense of community among its members. I can also speak to the benefits of Canada Mortgage and Housing Corporation's mortgage loan statistics.

In my riding of Etobicoke—Lakeshore from 1992 to October 1995 a total of 1,567 home buyers took advantage of CMHC's mortgage loan insurance. Of these, 708 were first time home buyers who were able to gain access to their home under the CMHC's first home loan insurance, the 5 per cent down program as we call it.

I am pleased to speak in support of the bill because I understand the crucial importance of it to ensure that CMHC can continue its mortgage loan insurance activity.

I am bewildered why certain members of the House are not able to support the bill. I can only assume it is because they do not fully understand the provisions of the bill and cannot appreciate the important role mortgage loan insurance will play in helping Canadians to gain access to decent affordable housing.

Many of my colleagues have already spoken to this issue. However, it is obvious the message has not gotten through. Allow me to spell it out one more time more clearly for the benefit of those having difficulty understanding why the bill is important to Canadians.

NHA mortgage loan insurance makes home ownership accessible to millions of Canadians regardless of where they live. This access is under similar terms and conditions with the smallest feasible down payment and at the lowest cost to borrowers. CMHC is able to provide this insurance at no cost to the government.

Bill C–108 is required in order for CMHC to continue to underwrite home mortgage loan insurance within the legislative limit. Let me be very clear on this point. If CMHC cannot continue its mortgage loan insurance activity, thousands of Canadians will not have access to home ownership. It is as simple and as serious as that.

• (1010)

NHA mortgage loan insurance works like this. Most lenders cannot make a mortgage for more than 75 per cent of the value of a property without mortgage loan insurance. This means those not able to save a down payment of 25 per cent would be locked out of home ownership without mortgage loan insurance. NHA mortgage loan insurance provides approved lenders with insurance against borrower default of residential mortgage loans.

NHA mortgage loan insurance allows Canadians to take out a mortgage with an NHA approved lender with a down payment of only 10 per cent of the property value or 5 per cent for first time home buyers.

NHA mortgage loan insurance requires the payment of application fees and insurance premiums. It is not just handed out for free by the government. These premiums are charged as a percentage of the loan based on the amount of the loan and its ratio to the value of the property. Premiums are set so as to ensure the fund always contains enough to cover any claims.

Since mortgage loan insurance protects lenders against default losses, they are able to charge the borrower the lowest possible rate of interest, which means mortgage loan insurance plays a critical role in reducing the cost of home ownership for Canadians. It also plays a critical role in ensuring relative equal access to mortgage financing in all parts of the country. This access is made possible through the cross–subsidization of higher risk business against lower risk business. In this way the mortgage insurance fund is self–financing. In other words, it does not cost the government anything to provide mortgage loan insurance to lenders so Canadians can have access to decent affordable housing.

We recognized a few years ago that even a 10 per cent down payment was difficult for some people to manage which is why the government introduced the first home loan insurance initiative in 1992 and reduced the minimum required down payment to 5 per cent for first time home buyers. The initiative was introduced for a two–year period but was extended for an additional five years until 1999.

As many members will know, this 5 per cent down initiative has been a tremendous success in helping to increase home ownership in Canada. By further reducing the minimum required down payment, home ownership has moved from a dream to a reality for the many Canadians who can afford monthly mortgage payments but who are having trouble saving for a down payment.

Certain members might not be aware there are Canadians who cannot afford a down payment of 25 per cent of the price of a home, even the most modest home. Are there members in the House who would refuse these Canadians a chance to become homeowners? I must assume my colleagues are not so out of touch with the economic realities facing many Canadians that they are not aware of the difficulties some people have in raising enough money for a convenient 25 per cent down payment. This is a reality for many people. That does not mean we should exclude them from access to decent housing. The government supports families and individuals who aspire to be homeowners.

We know many Canadians have a strong desire to become homeowners and we understand the tremendous importance of helping them to do just that. We know how important a home is to people not only in terms of an investment but for the impact on their quality of life.

• (1015)

When people are well housed, they are better able to participate in their communities. They enjoy a greater sense of control over their lives. It is no surprise that Canadians are willing to make great sacrifices to achieve home ownership. Saving for a down payment is a major undertaking, yet Canadians do it

willingly because they want to fulfil their dream of owning a home, a place of their own.

Perhaps it has been a long time since some members of the House had to worry about such mundane matters as saving money to buy a home. Let me tell them that a down payment even on a starter home represents a substantial amount of money for many Canadians. It is not easy to save for a down payment these days.

Does that mean we should just close the door on those people, tell them and their children that they cannot own a home? What kind of a country would we have if we did that? Certainly not a country I would want to live in I can assure you.

Home ownership is part of the Canadian dream, a dream which this government believes should be shared with all Canadians, not just a privileged few. We believe that all Canadians deserve the chance to become homeowners. We believe that the federal government should continue to play a role in helping them to do so. And we believe that NHA mortgage loan insurance is the best way for us to fulfil that important role at no cost to the government.

Millions of Canadians depend on NHA mortgage loan insurance. In fact, members of the House will be pleased to learn that more than 3.5 million Canadian households have been helped to purchase a home since the government initiated NHA mortgage loan insurance in 1946. That figure represents nearly one–third of Canada's housing stock. In 1994 alone, CMHC provided mortgage insurance for 40 per cent of all residential mortgages in Canada. That represents over 300,000 housing units.

In the riding of Calgary Southwest for example, from 1992 to October of this year, 5,600 households accessed home ownership through NHA insurance. Two thousand, two hundred and fifty of these households were first time buyers taking advantage of the lower down payment to become homeowners.

This year alone, more than 1,000 homeowner units were insured in Calgary Southwest under the NHA with over half, 538, being first time homebuyers. Obviously CMHC mortgage loan insurance is a huge success, a very popular vehicle for Canadians to gain access to home ownership.

Today we are presenting a bill to ensure that Canadians can continue to have access to home ownership, a bill that will ensure the continued operation of NHA mortgage loan insurance, a bill which is good news for all Canadians, a bill which this government would like to see passed.

Those members who oppose this bill should keep in mind the disservice they are doing to Canadians. Are Reform members aware that 63 per cent of the adult population living in rental accommodations plan on buying a home? Are they aware that 40 per cent of all residential mortgages finalized in 1994 were NHA insured?

Does that party know that 230,000 first time homebuyers would not have been able to purchase a home if not for the first home loan insurance initiative made possible by NHA mortgage loan insurance? Do they know that new construction to the end of October 1994 totals more than 24,000 units, including single detached homes, apartments, row houses and manufactured homes? Do they not realize the tremendous economic opportunities, especially the significant employment generation, resulting from all this activity, opportunities that would have been lost if not for NHA insurance?

As I have stated, the mortgage loan insurance has enjoyed overwhelming popularity over the years precisely because it is so crucial to helping Canadians enjoy the benefits of home ownership.

• (1020)

Opposing this bill means opposing the expectations of Canadians to become homeowners. Some might argue that the government should get out of the business of mortgage loan insurance and leave it to private industry. A little bit of thought on that subject would turn up some reasons why it is not a good idea to leave this important area to the private sector alone.

First, without CMHC providing mortgage insurance, Canadians would be at the mercy of a private sector monopoly. Higher prices and fewer choices would be the result. Housing would then be less affordable, especially for the first time home buyers.

Second, we know from past practices of private insurers that homeowners in all parts of the country would not have access to mortgage insurance. What would happen to the many Canadians living in communities which the private sector would refuse to serve?

Historically we know that private insurers have underserved rural areas. If NHA mortgage loan insurance were not available in rural communities, many rural Canadians would have to leave those areas in order to access home ownership because there would be areas which the private insurer would not want to serve, make no mistake about it. What would happen to the people living there? Quite simply, they would have very limited access to home ownership.

As long as CMHC is around to provide equal access to mortgage loan insurance, we do not have to travel that ugly road. With CMHC in the industry, Canadians have continued access to low cost financing. Canadians living in areas of the country that

the private insurers will not or cannot serve are able to obtain housing financing at relatively equal terms and conditions.

It should be obvious to members that competition is the best way to keep prices at the lowest possible level to encourage innovation in the mortgage industry to meet the changing needs of Canadian housing finance consumers.

Millions of Canadians have benefited from NHA mortgage loan insurance in the past. Thousands continue to benefit each year. Members of the opposition should clearly understand and support this bill. I have to wonder why they are having such difficulty with this very simple issue.

The federal government has a constitutional responsibility for banking and finance. CMHC mortgage insurance and guarantee are a demonstration that the federal government is fulfilling this responsibility. Without CMHC there would be a federal policy vacuum in the system of housing finance. The result would be unequal access to home loans across the country. Furthermore, marginal borrowers could pay more for low down payment mortgages or have no access to financing altogether.

What is the motivation of those who question the crucial importance of NHA mortgage insurance? Surely it cannot be to save the federal government money. CMHC operates its mortgage insurance fund at no cost to the government. CMHC insurance is provided at no cost to the Canadian taxpayer. I repeat this. CMHC is required to achieve self–sufficiency strictly from the premiums and fees that it charges. CMHC is not part of the problem. In fact, it is part of the solution.

Members might be interested to learn that CMHC has returned to the Government of Canada over $1 billion since its incorporation in 1946. In addition, in 1992, $55 million was contributed to the government from the mortgage insurance fund.

We in Canada are fortunate to be one of the best housed nations in the world. There can be no doubt that NHA mortgage loan insurance has had a significant role to play in bringing us to that enviable state. If we are to maintain that high standard, CMHC must be able to continue providing NHA mortgage loan insurance so that Canadians will have relatively equal access to low cost mortgage financing today and in the future.

Yes, we are fortunate to have such a high standard of housing in the country. Over the years, with the leadership of CMHC in the housing sector, Canada has developed a broad range of housing expertise in the public and private sectors as well as in the academic community. We are willing to share that expertise with countries all over the world. Representatives from a variety of countries come to Canada to learn about our operations because they believe that we have not one of the best, but the best system of public mortgage loan insurance in the world and they want to learn about it.

• (1025)

I want to conclude by saying that CMHC involvement in the international arena is not limited to helping other countries develop mortgage insurance, it also shares and explores possibilities in many other areas. I ask all members to support Bill C–108, which will make it possible for all Canadians to have their greatest dream fulfilled: owning a home.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I want to confirm what I think I understood, so I would like to ask the following question. I believe this loan insurance is self–financing and self–sustaining and does not cost the government anything. I want to make sure that I have understood that correctly.

The other point which I would like the parliamentary secretary to mention once again is this. How will this help Canadians in terms of housing? I believe that needs to be repeated because I do not think it is sufficiently clear in the minds of people.

I would ask my colleague to clarify those two points.

Ms. Augustine: Mr. Speaker, those two questions cover the crux of Bill C–108.

It is important for everyone to understand that there is no cost to the government. Actually, a benefit is derived from that involvement.

It is also important to note that the United Nations has acclaimed Canada as the best country in the world in which to live. We must ensure that quality of life. What goes into that quality of life? Accessible, affordable, decent housing and home ownership. Therefore it is important for us to continue to have the necessary mortgages, loans and availability of funds. With the minimum down payment, individuals will have the opportunity to access housing and all of the things that come with having a roof over one's head and providing for one's family.

It is important that we as a government continue the financing and support the National Housing Act and the CMHC to ensure that we provide loans to families to access housing.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, my question concerns the insurance program. I understand that there are two programs: one is offered by CMHC and one is offered by a private organization.

The hon. member is adamant in telling us that there is no cost to the government. I am trying to understand why the government is involved.

I was talking the other day about the Small Business Loans Act, which again is money being channelled through bureaucrats at no cost to the government. I am trying to understand what benefits are being offered through this program if they are also being offered through the private sector.

• (1030)

If there is no cost to the government, why is the government involved in cycling the money through bureaucrats by charging people who buy houses to compensate the lenders who have mortgages that go into default? Why is the government even in the business? The private sector can do it just as well, just as efficiently, and under the rules there is no cost to the government. Why is the government even involved if there is no cost to the government and the private sector can do it better?

Ms. Augustine: Mr. Speaker, I thought I addressed in my statement as part of this debate why I think the private sector cannot do it better and also the constitutional responsibility for banking and finance, which responsibility rests with the federal government.

CMHC mortgage insurance and guarantee are a demonstration that we are fulfilling that responsibility. To leave it up to the private sector, we would have a patchwork. As I said earlier in my statement, there would be regions and areas of this country where the private sector would find it not viable to do business.

When we are looking at our country from coast to coast to coast, it is important for us to recognize that if we are looking for equality and access for all Canadians, no matter where they live, rural, urban, et cetera, we should provide the avenues and the support so that we do not leave this solely to the private sector, whose bottom line is always dollars.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I have no doubt of the importance of the federal role in housing. It is not that long ago that modest income Canadians were able to buy a modest first home, but that is no longer the case. Finding a large chunk of money to put down is no longer possible.

I know there are still members on the opposite benches who have problems with this. I would like to know if the hon. member could give us the national benefits for the federal government investing in this area. It is important to look at not just regions or certain areas where there is accessibility to housing, but at the national interest as well, in terms of ensuring that modest income Canadians are able to buy modest homes for the first time in their lives, which gives them a sense of some form of stability. Would the hon. member do that for us?

Ms. Augustine: Mr. Speaker, I will focus on one aspect, and that is the provision for assistance given to social housing.

The federal government continues to provide $2 billion annually in social housing assistance to support the more than 661,000 existing units across this country. Over a million low income Canadians whose housing needs cannot be met through the private sector market benefit from this assistance. This housing assists some of the most disadvantaged members of our society, including seniors on fixed incomes, aboriginal people, persons with disabilities, families led by single parents, social assistance recipients, and the working poor. It is important to note that this support, which is also part of the debate here today, cannot solely be left to the private sector. CMHC activities contribute to that stable supply of affordable housing, which increases the economic benefits for all Canadians and provides our quality of life.

CMHC's research demonstration and information transfer activities improve housing and living conditions and make the housing market more efficient and competitive. New technology, housing technology, building science, and promoting good living environments all provide us with safe, healthy, and sustainable development. These are all part of the work of CMHC and the research that is being done in that area.

• (1035)

When we talk about support that is given to the whole issue of the CMHC mortgage insurance fund and the support it needs, it is important to note not only the quality of life but also the science and technology aspect, which provides employment for Canadians.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, it gives me a great deal of pleasure to speak to Bill C–108, an act to amend the National Housing Act. This is a very brief bill, just four lines long, but the impact is significant.

I listened to my colleague's debate, and her argument is basically that CMHC is going to turn off the tap. That is not true. This bill is about raising CMHC's loan limit from its present $100 billion to $150 billion. We are not talking about limiting what is already there. The pot is huge, $100 billion. That is $100,000 million that CMHC has to deal with presently. This bill would raise it by another $50 billion.

We object to that because of the state of the country. This country is now $564 billion in debt. We cannot continue to carry on programs that are going to cost the government money. I object to my colleague's statement that this does not cost the country. It does indeed cost the country.

If we are going to address our debt, the first thing we must do when we are in a hole is stop digging. Right now this bill continues to dig the hole. We cannot increase our debt any more. The country is broke. Let me repeat that: we are broke. This bill is going to add more liability to the country. It does not stop anything. It does not stop the $100 billion that is already in the pot. It is an increase.

I would like to comment on the experiences of New Zealand. We were briefed on this bill by CMHC and I asked what is CMHC's ongoing liability, because it is into mortgages 5, 10, 15 and 20 years ahead. It does not know. Current accounting practices say that you only have to be five years ahead. That is

the window. I find it incredible that a corporation dealing with this amount of money does not know its total liability.

New Zealand put in legislation which states that every year the government has to publish all liabilities of the government and all crown corporations. It was a real eye opener, because a number of areas like CMHC had to disclose exactly what their liability was. Right now CMHC is not doing that.

Another concern we have is that the government is sending mixed messages. It wants to decentralize. The Prime Minister has said that. We had a referendum in Quebec the other day that was about decentralization. Yet the bill goes in exactly the opposite direction. It enshrines more power into the federal government at a time when the federal government should be passing its powers down to the provinces.

Canadians want a smaller federal government. We are over-governed, overregulated. Business is telling us to get out of their faces and let business do what business does best, run their business. The best thing the government can do is get its house in order. This bill goes in exactly the opposite direction.

I offer to my colleagues across the way a 20–point plan to decentralize the federal government. In fact Preston Manning spoke at the Canadian Club last week and got a standing ovation from the business people who recognized that a number of points of duplication between the federal and provincial governments have to end. Environment, natural resources, culture, and housing should all be done at the provincial level.

• (1040)

Private enterprise is already into the mortgage business. CMHC is already into it to the tune of $100 billion. There is no need to increase it by another $50 billion. One hundred billion dollars is just fine, thank you very much. Let private enterprise do what it does best and deal with this issue.

My colleague was saying that this does not cost the government any money. Let me remind you about the downturn in the early eighties. We can all recall that people in the housing market in Toronto, Vancouver, and Winnipeg were walking into their banks, dropping the keys on the desk and saying: "Take it". Because of the downturn in the market, their mortgage was worth more than their house. If that happens, ladies and gentlemen, guess who is going to carry the can? The Canadian government.

The Acting Speaker (Mr. Kilger): With the greatest respect to ladies and gentlemen, I would remind members to address the Chair. Clearly I am of one gender and not the other. I think it is far safer for our debates to go through the Chair.

Mr. Gilmour: Mr. Speaker, my apologies. I shall certainly go through the Chair.

People will remember the number of people who walked away from their mortgages back in the eighties. The government, CMHC, had to pick up the tab. That is what will happen in this case if there is a market downturn.

To say that there is no cost to the government is completely wrong. There may not be today, but with the volatile interest rates and with the Quebec situation the money markets are very unstable. There is an excellent potential that this could end up hurting Canada, hurting the government, and costing us money.

Another point in the bill that concerns me is paragraph (b), which refers to "any additional amounts authorized by Parliament for the purposes of this section under an appropriation act or any other act of Parliament". This concerns me, because I am not sure whether additional funds would come back to this House or whether in fact we are talking order in council. That concerns me greatly. If it comes back to this House, that is fine. If it goes to cabinet, that is not fine. Then we are not sure what is going on behind closed doors.

I would like to conclude by saying that I do not believe this government is listening. We are broke. CMHC is already in to the tune of $100 billion. We object to putting Canadians further in debt. That is the reason Reform will oppose this bill.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have been listening with great interest to members of the Reform Party digressing on this bill. To date all of them have led Canadians who are listening to us to believe that this extra $50 billion in liability insurance would be added to the deficit and the national debt that exists already. This is absolutely false.

My question for the hon. member for Comox—Alberni is: In terms of numbers, how much is it going to cost the Government of Canada with this new mortgage insurance fund?

Mr. Gilmour: Mr. Speaker, the amount will depend on exactly how bad the downturn in the market is. When people walked away from their mortgages in the early eighties, the difference between the value of the house and the mortgage is what CMHC had to pick up.

I cannot give a number. It is going to depend entirely on how much interest rates go up and how many people walk away from their mortgages. It could be a very large number, in the billions of dollars.

• (1045)

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, a previous statement was made by a member of the House. When we questioned the idea of turning this kind of enterprise over to the private sector, the reply was that it was not viable in some areas for the private sector to do it. That means if it is not viable

then it must cost. Why would the private sector not do it if it does not cost?

Does the hon. member agree that if the private sector is saying in some areas it is not viable there is a cost that is recognized by that sector?

Mr. Gilmour: Mr. Speaker, of course there is a cost. CMHC has nearly 3,000 employees. They are not counting the cost of running the operation. A private insurance company does not have that cost. The cost to the Canadian people is clearly there.

I have difficulty with a member's comments earlier when she said there really was not any cost to the government. She said they were going into areas that were not viable. They cannot have both. It is either viable and we are making a profit, or if CMHC is going in there and it is not viable somebody is losing money. Guess who? It is the Canadian people.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, the hon. member across has made a great to–do about what it costs the government but he has not told us what that is. Perhaps we should put some facts on the table.

Concerning the CMHC's mortgage insurance fund, the premiums charged by the corporation in addition to the value of the property assist in covering the liability. That is why the fund has been more than self–sustaining. It has thus far returned $55 million to the government. The fact of the matter is that it is self–sustaining. It has not cost us.

We should have figures on the table when accusatory statements are made.

Mr. Gilmour: Mr. Speaker, I guess any accountant can make figures talk and I can certainly talk to members opposite.

CMHC has been self–sustaining in the past few years. It was losing buckets of money until it got its house in order. If there is a downturn in interest rates it will cost us more buckets of money. Clearly they are talking out of both sides of their faces.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, is the hon. member aware that approximately one–third of the housing stock in the country has been built with the assistance of National Housing Act insured financing? In other words, without this kind of financing, one–third of the houses with all the benefits and all the spinoff effects they had for the economy would not have been built.

Is the member for Comox—Alberni aware that 3,944 of his constituents have purchased homes using funds insured by CMHC since 1992? Is he aware that 917 of his constituents have purchased homes taking advantage of CMHC's first home loan insurance program since 1992?

Mr. Gilmour: Mr. Speaker, the member is absolutely correct. However the bill increases the numbers. We are saying the $100 billion already in the pot created the numbers the member just stated. They are absolutely correct.

We are opposed to increasing that amount by another $50 billion. We are not opposed to having the $100 billion or CMHC doing business as it is presently doing. We are opposed to increasing the liability limit.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, coming from downtown Toronto I have to stand to defend the Canada Mortgage and Housing Corporation vigorously. It represents in the greater Toronto area not just support for those in the home building industry. It also sends a signal of confidence to all other sectors of the economy, from the carpet makers to the makers of stoves, refrigerators and the various accoutrements that go into putting a home or an apartment together. Quite frankly those spinoffs have an effect on every region of the country.

• (1050)

When we calculate the contribution of Canada Mortgage and Housing we must not forget its contribution to all spinoffs in the economy.

Mr. Gilmour: Mr. Speaker, I thank the member for his comment. It is agreed that CMHC is a benefit to the economy, absolutely. We do not dispute that. The difficulty we have is upping the ante.

We recognize where CMHC has been and will continue to be. To this point in time it is fine. The country is broke. Right now we cannot see increasing the ante by $50 billion. We think it inappropriate at this point in time.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, as my colleagues know, the purpose of the bill is to increase the ceiling for mortgage loan insurance under the National Housing Act. This will enable Canada Mortgage and Housing Corporation to continue underwriting home mortgage loan insurance within the legislative limit.

The bill is an administrative bill. Bill C–108 will increase the existing limit on outstanding loan insurance from the current $100 billion to $150 billion. The bill also includes a provision to increase the ceiling further through appropriation in the future.

Members of the House should know that CMHC loan insurance is self–financing and self–sustaining and does not cost the government anything. Moreover, it has great benefits for the country.

The mortgage insurance fund is regularly evaluated according to rigorous insurance principles. It is fully adequate to cover all insured losses as well as all overhead.

[*Translation*]

The amendments in this bill deal with administrative matters, but they must be adopted to allow the CMHC to continue to provide mortgage insurance. Allow me to explain briefly how important this bill is for Canadians.

[*English*]

The desire to own a home remains strong among Canadians. Yet many people who can afford the monthly mortgage payments are still unable to access home ownership because they are finding it difficult to save for a down payment for conventional loans.

[*Translation*]

Because the CMHC assumes the risks if borrowers fail to meet their obligations, approved mortgage lenders can loan money to more Canadians. By reducing the down payment required to buy a house, the loan insurance program allows more middle income households to have access to home ownership. This is an essential element of the system to ensure that all Canadians, wherever they live, can have the same access to the mortgage loans they need to buy adequate and affordable housing.

[*English*]

Let me give an idea of the extent to which Canadians depend on mortgage loan insurance to fulfil their dream of owning a home. My colleagues may be interested to learn that this means approximately 40 per cent of the residential mortgage stock in Canada involved financing by CMHC mortgage insurance last year.

Without mortgage loan insurance Canadians who do not have a 25 per cent down payment would generally never have access to home ownership.

[*Translation*]

The CMHC mortgage loan insurance has already proven flexible enough to allow for innovative housing financing. This is an essential feature given the constant evolution of borrowers' needs and of the markets meeting these needs.

• (1055)

In 1987, the program was modified to insure junior mortgage loans, an innovation especially helpful to those needing additional funds for renovations.

[*English*]

In the following year the chattel loan insurance program was introduced as a five–year experiment to cover loans made on mobile homes and to help people who choose this kind of affordable home ownership. The coverage for mobile homes has now been made a regular part of the mortgage insurance program as per the announcement made by the minister responsible for the Canada Mortgage and Housing Corporation at the beginning of this year.

In 1992 the mortgage insurance program was expanded to accommodate a reduced down payment for first time home buyers, making home ownership even more accessible to moderate income households. This program, called the first home loan insurance program, has provided Canadians with their entry point to home ownership. Again I reiterate to my hon. colleagues that the success of the initiative has been achieved without cost to the government.

[*Translation*]

We want to ensure that the CMHC can continue to provide this assistance to the housing market. This is the intent of the bill before us today. The CMHC is constantly reviewing and making regular changes to the mortgage loan program in order to make it more effective and convenient for both approved lenders and home buyers.

[*English*]

By exploring new housing finance options for Canadians, we are looking to promote greater choices, lower the cost, increase accessibility of housing finance and assist borrowers to meet their financing needs within their own resources.

[*Translation*]

The CMHC will continue to encourage innovation and creativity in residential financing through the mortgage insurance fund, in order to improve access to home ownership for all Canadians.

The private housing market is now in a position to meet the needs of the vast majority of Canadian households. There is no question that the CMHC mortgage loan insurance played a crucial role in this achievement. The CMHC mortgage loan insurance program had a record year in 1994 in terms of volume. Several unexpected factors led to a significant increase in activity last year. Mortgage interest rates fell to their lowest level in 30 years, a level that was much lower than expected. The low inflation rate kept house prices stable and affordable. In addition, the rapid, consistent success of incentive policies, including the loan insurance program for home buyers and the home buyers' plan, helped generate a record level of insurance activity last year.

[*English*]

When the Mortgage Insurance Company of Canada stopped underwriting new mortgage insurance business in April 1993, CMHC had to assume 100 per cent of residential mortgage insurance activity. Furthermore a greater proportion of all mortgages has been insured by CMHC in recent years. In 1994, CMHC insured 40 per cent of all residential mortgages initiated, up from 22 per cent in 1991.

Because there is some lag time between insuring loans and receiving the reports from approved lenders, it was only in 1995

that the figures for 1994 were all compiled. At that time it was realized that the $100 billion maximum aggregate loan insurance currently stipulated in the NHA had been exceeded. For this reason, provisions of the bill are effective starting in 1994.

• (1100)

I hope members will see fit to give swift passage to Bill C–108 so that CMHC can continue to promote access to home ownership through mortgage loan insurance.

[*Translation*]

Through its mortgage loan insurance program, CMHC continues to make housing more accessible for Canadians. The corporation is also working to improve housing affordability. Through CMHC, the federal government is committed to a stable supply of affordable and accessible housing that increases economic opportunities for all Canadians.

CMHC's market housing programs promote affordable housing and equal access to financing through financial instruments such as mortgage loan insurance.

[*English*]

Moreover, CMHC provides mortgage insurance to all Canadians, regardless of where they live, at the smallest feasible down payment and the lowest cost.

To improve access to an affordable form of housing, CMHC also provides mortgage insurance for manufactured houses and mobile homes. In January of this year the Hon. David Dingwall announced an expanded chattel loan insurance program, CLIP, that includes a resale of manufactured housing units.

CMHC is also contributing to making housing more affordable through better housing regulations. The affordability and choice today program funded by CMHC encourages regulatory innovation in municipalities across Canada. The ACT program encourages the housing industry and municipalities to work in partnership to improve housing affordability and choice.

More than 80 ACT projects are developing a wide range of practical approaches to streamlining approval processes, developing new forms of affordable housing, facilitating in–fill and conversion and adopting alternative development and building standards.

As I have said, Bill C–108 is an administrative bill. As my colleagues know, the bill is important in ensuring CMHC can continue to offer mortgage loan insurance to Canadians.

[*Translation*]

I would like to take a few minutes to talk about a complementary initiative, first home loan insurance, introduced by CMHC in February 1992, to make home ownership even more accessible.

Earlier this year, the hon. David Dingwall announced that the maximum eligible house prices—

[*English*]

The Acting Speaker (Mr. Kilger): When referring to another member in the Chamber we basically have two options, either by riding or by portfolio. I know sometimes there can be omissions but the same name has come up more than once already. Therefore I simply remind the hon. member for Halifax West.

Mr. Regan: Thank you, Mr. Speaker, for that reminder. I apologize for the error.

[*Translation*]

Earlier this year, the Minister of Public Works announced that the maximum eligible house prices for first home loan insurance were increased in 30 communities across the country. This initiative allows more first time homebuyers to purchase a home with a down payment of as little as five per cent. Anyone who buys or builds a home in Canada as their principal residence is eligible for the lower down payment, as long as they have not owned a home at any time during the last five years.

[*English*]

First home loan insurance was initially in effect for a two–year period but was extended for an additional five years until 1999. The 5 per cent down initiative has been a major success in helping to increase home ownership in Canada. That speaks to the importance of the bill.

• (1105)

The statistics also speak for themselves. Since November 1993 over 210,000 Canadian households have taken advantage of the lower down payment to become the proud owners of either a new or existing home. In April 1994 a survey of Canadians who bought a home with less than 10 per cent down showed that 72 per cent of them would not have been able to purchase their home when they did without the reduced down payment. That says a lot.

The first home loan insurance initiative is constantly being monitored to ensure it continues to meet the needs of Canadians. CMHC is committed to helping Canadians who desire to own a home and who have the proven financial management capability to do so. First home loan insurance is an excellent example of CMHC's ability to adapt its mortgage loan insurance activity to ensure Canadians can enjoy the benefits of home ownership.

As I have stated, Bill C–108 is an administrative bill to facilitate the continuation of mortgage loan insurance under the National Housing Act. CMHC's mortgage loan insurance, which provides relatively equal access to Canadians throughout the country, is important to achieving that goal. This is one of the

major factors which distinguishes CMHC's operation from private mortgage loan insurance operations.

Without CMHC's commitment to providing mortgage loan insurance in the small communities of the country, places that private insurers have not traditionally wanted to serve, many Canadians might not be able to buy a home.

[*Translation*]

Our government knows just how much Canadians value home ownership. It represents a major portion of the wealth accumulated by households. For some, it is a source of retirement income. It is also an important component of quality of life. We believe that every Canadian should have access to home ownership. CMHC mortgage loan insurance can turn the dream of owning a home into a reality. It is therefore critical that CMHC be able to continue to provide mortgage loan insurance to Canadians now and in the future.

[*English*]

That is why I support Bill C–108 and why I hope my colleagues will see fit to give swift passage to this administrative bill so that CMHC can continue to help Canadians realize their dreams of owning a home.

The concept of home speaks to our basic human needs. Home is a place where people feel secure. Owning a home gives people a stake in their communities and a sense of belonging. Home ownership is a concept the people of Canada support. It is therefore essential that CMHC be able to continue to provide mortgage loan insurance to Canadians today and in the future.

The corporation's mortgage loan insurance has traditionally demonstrated the flexibility to respond to varying needs and must be maintained as a public policy instrument capable of evolving to meet the future housing needs of Canadians.

With an eye on these future needs, CMHC is currently working to develop a variety of new housing finance instruments made possible by innovative uses of mortgage loan insurance. In developing new products CMHC is looking to challenge the creativity of the financial community to ensure the largest possible number of borrowers can find a product in their marketplace to meet their precise needs. A variety of choices will encourage lenders to compete on the basis of services and product differentiation.

The financial environment in which CMHC's mortgage loan insurance business operates has undergone significant change in recent years. The introduction of one stop financial services, the increased use of technological systems to support business operations, and the need to manage expenditures and facilitate better risk management are all factors which have had an impact on the way CMHC runs its mortgage insurance operations.

CMHC is now focusing on introducing new processing mechanisms which will utilize the capabilities of electronic communications between CMHC and approved lender clients. These enhancements will allow the corporation to better serve the needs of Canadian housing consumers. In light of all these good arguments, I urge passage of the bill.

• (1110)

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the member said if the bill is turned down, CMHC will not be able to continue to operate. That is simply not true.

CMHC will still have the hundred billion dollars it has had for years to operate. This bill is about increasing that limit. It is not about whether CMHC operates or not. I believe there is an attempt by members on the other side to make it appear that if this bill fails, all mortgages across Canada will collapse. That is not true.

In the event of a collapse in the market, as in the early eighties, and if CMHC will not cost Canadians any money, in the event of a downturn, who picks up the tab on these defaulted mortgages?

Mr. Regan: Mr. Speaker, the first question is what will it mean to Canadians if the mortgage insurance fund is capped at $100 billion. That is the point. We have a delay in the time between when mortgages are approved by local lenders and when we get the full figures for a year. We need to have it retroactive to 1994 to cover the fact that in that year there were more than $100 million worth of loans insured. That would be a huge problem for CMHC.

The other important point is what it would mean to Canadians if it were capped at that level. CMHC's ability to assist Canadians to access home ownership would be curtailed dramatically. It would mean that the 3,944 Canadians in the riding of the member for Comox—Alberni would be the last to achieve home ownership through these means. It also would mean that rural Canadians would be faced with even more obstacles when planning to purchase a home.

We can look at all the negatives and talk about the collapse of the economy. We would be in all kinds of problems if we had a huge collapse of the economy in any event. We have to look at the important role CMHC plays in building our country, in building home ownership, in building our housing stock and in helping the economy. If we can expand the amount of home ownership insurance CMHC can provide, we can expand the amount of housing activity.

I do not know about the member's riding but in my riding and in my region of Atlantic Canada, and I think across most of Canada, there is a need for increased activity in the housing

sector. There are real problems in that sector. People need to have a shot in the arm. This will help not only that whole sector, which will boost the economy, but it will help people who want to own their own homes.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the Parliamentary Secretary to the Prime Minister indicated that not only would this legislation not cost the government any money, that is, increasing the ceiling on the mortgage insurance, but that there is a return to the government. That is important.

The Parliamentary Secretary to the Prime Minister also indicated that this kind of initiative permits the enhancement to the quality of life for Canadians because it ensures that additional housing is available, thereby creating jobs. We all know that appropriate lodging is a basic fundamental plank in the quality of life for not only Canadians but people throughout the world.

I find that rather interesting and it is important that we look at that very carefully and embrace that kind of concept, an initiative which will ensure that the quality of life for Canadians is enhanced through pieces of legislation such as this one.

• (1115)

Mr. Regan: Mr. Speaker, I certainly agree with the hon. parliamentary secretary that this program permits us to enhance the quality of life of Canadians.

If we want to recognize what the quality of life means in terms of housing all we have to do is leave our country and go to many other countries in the world. In June I had the opportunity to visit Haiti as an election observer with the OAS. I certainly got a real appreciation of how fortunate we are to have the kind of housing we have and what it really means to quality of life when I saw the kind of housing that exists in Haiti.

Haiti is the poorest country in this hemisphere. It is not by any means the only country in the world with a lower standard of housing than we have. In fact, the vast majority of the world's inhabitants do not have the quality of life and quality of housing that we enjoy. Some do not even come close.

It is very important to recognize that this measure of expanding the loan insurance of CMHC is critical to the quality of life of Canadians. It is important for the housing industry in terms of job creation.

When I was in Haiti I saw houses that had dirt floors. Imagine the problems with disease and insects. There were houses that did not have facilities which we consider proper in Canada such as indoor plumbing. We are very fortunate to have the ability to expand a program like CMHC which will add benefits to Canadians and to an important resource such as our housing stock.

When I visited Haiti I was struck by the many problems of extended families living in a house which would be the size of a small room in a normal Canadian house and how that affected their quality of life. It was really a shock. We often hear about people facing cultural shock when they visit foreign countries. Well, I certainly experienced it. When I came back to Canada it made me much more aware of how fortunate we are to live in this great country and to have the opportunity to live in good quality homes.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am amazed at how the member can avoid the question we are asking. The member went through all this rhetoric, made all these comparisons between Canada and Haiti as if the Liberals somehow can take credit for the standard of living that we enjoy.

We have posed a question, which I will pose again to the member. Who is left with the tab? Who is going to be on the hook for $150 billion if the economy turns down? If we go into hard times, who is going to be responsible for the billions of dollars in defaulted payments if this goes on?

The member has avoided that question. He has to answer the question before the debate can conclude.

Mr. Regan: Mr. Speaker, it concerns me that members opposite have so little confidence in the economy of Canada. However, they should be aware that the mortgage fund insurance is actuarially sound. It returns money each year to the government which helps provide for any problems which may occur in the process. There are funds provided each year for non–repayment of loans.

If the situation arose where Canadians defaulted on $150 billion in mortgages, imagine what would happen to the banks across the country. It is somewhat like saying, why should we have banks because they may fail if people do not repay their loans. How can we trust putting our money in the banks because if people do not repay their mortgages, they will all fail? That is true also. We have to operate on certain assumptions that we will have good growth and an economy that works.

I am sure the hon. member will listen to my answer. We cannot assume the whole economy of the country is going to collapse tomorrow. We have to operate on cautious and reasonable assumptions. We have to take precautions. We are taking precautions with this bill. It is actuarially sound. It provides funds for failures and it is in good shape.

• (1120)

More important, it is interesting to me that the members opposite want to look at all the possible problems while ignoring the benefits of this very important program.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am really pleased to have the opportunity to speak in support of Bill C–108, an act to amend the National Housing Act. I am pleased for two reasons, one because it is timely.

Yesterday in my riding, I went to a conference of the BCNPHA which is a group of diverse peoples. They are people who are disabled, who have low incomes, who have moderate incomes. They have come together to talk about ways in which they could afford housing in Vancouver which is a city in which housing has gone off the map. Some of these people can never hope of owning a home. Because of this legislation there is hope for those people.

The second reason is that as a physician, I know that housing is a key component of the social structure that enables Canadians to have a positive health status, not only for the physical reason that housing is important to the health status of people but also because of the psychological and sociological reasons. It enables people to have hope, to have a stake in the future and to be able to say that they are contributing to the economy.

As everyone has said before, this is an administrative bill, the purpose of which is to increase the ceiling on CMHC mortgage loan insurance from the current $100 billion to $150 billion.

Members of the House should know that CMHC loan insurance is self–financing and self–sustaining. I speak those words slowly and to stress them so that they can actually be heard. It does not cost the government anything.

Not only is it a sound and healthy fund, but CMHC's mortgage loan insurance has played and continues to play a role in helping Canadians to access home ownership. Home ownership, members have heard said here this morning, is a cherished dream held not only by Canadians but by all peoples. There are good reasons for this.

Home equity is a major portion of the wealth that is accumulated by households as well as being a source of retirement savings. The concept of home speaks to our basic human needs. Home speaks to security. Home speaks to health. Owning a home gives people a stake in the community and a sense of belonging. Home ownership is a concept the people of Canada support. It is therefore critical that CMHC be able to continue to provide mortgage loan insurance to Canadians today and in the future.

It sounds as if there is a certain amount of repetition in some of these speeches. The repetition is so that the message can be put clearly both to the people of Canada and maybe to some of the members of the third party across the way. Since November 1993, 210,000 low income Canadians who did not have the down payment were able to own their own homes because of this program.

One of the most important aspects of CMHC's mortgage loan insurance is that it provides relatively equal access to mortgage financing at the lowest possible cost for all Canadians. This is what we heard from those 210,000 people who since November 1993, regardless of where in Canada they live, bought homes. It speaks to the national context of this bill.

Surpluses that are generated from lower risk businesses are used to fund shortfalls on the higher risk businesses. That is a basic economic equation that I am sure most people who know business, who have taken risk on business and who have had businesses in the past, and I am sure many members of the third party across the floor know that, that lower risk businesses are used to fund shortfalls of higher risk businesses.

That is a principle of any insurance program. Without access to CMHC's mortgage loan insurance, Canadians in some parts of the country would have to provide the conventional 25 per cent of the value of a house as the down payment that the private sector charges. Needless to say, many Canadians would find it difficult to purchase a home if this were the case.

• (1125)

CMHC's mortgage insurance is therefore critical to helping Canadians access home ownership. It has long been recognized that the housing needs of Canadians have been financed and supported by CMHC over the years, not only for one group of people, but for various income sectors and for diverse groups of people.

The corporation's mortgage loan insurance has traditionally demonstrated the flexibility to respond to varying needs. In other words, there is a performance level we can mark here. I would like to take this opportunity to inform the House about one such example that has helped hundreds of Canadians realize an affordable home ownership dream and that is the manufactured housing or mobile home industry. It has contributed greatly to giving Canadians access to good quality affordable housing, not to mention the fact that it helps jump start the economy in terms of the manufacture of mobile homes.

CMHC has been working in partnership with the manufactured housing industry for many years because of its importance to the housing sector and to the economy of Canada as a whole.

Canada Mortgage and Housing Corporation introduced its chattel loan insurance program which some members have mentioned. Known as CLIP, it was a five–year experiment that began in 1988. The two objectives of the CLIP program were first, to improve access to alternative forms of affordable housing without involving government expenditure and second, to help place manufactured homes in a more competitive position with conventionally built homes.

CMHC completed an evaluation of the CLIP program last year. This is another component when we talk about whether something is working or whether we are taking a risk. We not only look at performance but we also go back and evaluate the performance in a quantitative way. The evaluation confirmed that the program is an important instrument in increasing access to good quality affordable housing without involving government expenditure.

The evaluation also confirmed that CLIP has a positive impact on the manufactured housing industry. There is another issue. Jobs are being created not only in the manufactured housing industry but in mobile home park development, so economic development results as well.

Following the results of the evaluation, the minister responsible for CMHC was pleased to announce an expansion of the CLIP program. As a result, it now includes both new and resale mobile manufactured homes.

CLIP is an affordable alternative for many of the approximately 335,000 moderate income rental households that could not previously afford to purchase a mobile home. CMHC and the manufactured housing industry have enjoyed a productive partnership for many years. They have been working together to help Canadians gain access to good quality affordable housing and to enhance the viability of the whole industry.

The enhancements to the CLIP program are leading to greater access to mobile homes and an affordable option for Canadians. I want to stress again, and it may sound repetitive, but this not only gives moderate income and low income Canadians access to homes, but it jump starts the economy. It continues the economy and jobs, the flow of capital. All of that goes on, which is what makes this country move ahead.

This is only one example of how NHA mortgage insurance has met a specific need. It explains why NHA mortgage insurance must be maintained as a public policy instrument that is capable of being flexible and evolving. We have seen how the CLIP program has evolved to meet the future needs of Canadians.

With an eye on these future needs, CMHC is currently working to develop a variety of new housing finance instruments made possible by innovative uses of mortgage loan insurance. I want to talk about that flexibility, creativity and innovation, where CMHC not only sets up policy but it sets a policy after it has talked to the consumer, after it has talked and worked with the private sector to bring about innovative ways of creating housing.

In developing new products, CMHC is looking to challenge the creativity of the financial community and to ensure that the largest possible number of borrowers can find a product in the marketplace to meet their precise needs. That is flexibility and that is innovation. A variety of choices will encourage lenders to compete on the basis of service and product differentiation.

The financial environment in which CMHC's mortgage loan insurance business operates has undergone significant changes in recent years. For instance, the introduction of one stop financial services, the need to manage expenditures and the need for better risk management are all factors which have an impact on the way in which CMHC runs its mortgage insurance operations. It also speaks of the ability to be accountable. Change and making sure factors like managing and assessing risk are important components in any business venture.

• (1130)

CMHC has responded to the changing environment by continually reviewing its processes for delivering mortgage insurance and introducing efficiencies. Ensuring CMHC's loan insurance is viable is extremely important.

CMHC is now focusing on the use of electronic communications between itself and approved lender clients. These enhancements will allow the corporation to serve the needs of Canadian housing consumers even more effectively. Mortgage loan insurance has played a significant public policy role in the past and with CMHC stewardship, it will continue to evolve to meet the changing needs of Canadians and the financial community.

I underline at this time for members of the House that not only is the CMHC mortgage loan insurance a self–financing operation that involves no federal subsidies, CMHC has also returned to the Government of Canada over $1 billion since its incorporation. In addition, in the year 1992, CMHC returned $55 million to the Canadian taxpayer directly from the mortgage insurance fund. CMHC does not only provide access for various and diverse groups of housing. It also provides jobs, stimulates the economy and puts money into the treasury.

I will address some of the questions that surfaced with my hon. colleagues in debate last Friday respecting CMHC, namely questions concerning the federal government's role in public housing. I remind hon. members that notwithstanding severe financial constraints, the government is continuing its expenditures to help society's most vulnerable citizens.

The federal government is very much concerned with the shelter needs of low income Canadians. The federal government is making considerable ongoing social housing expenditures of about $2 billion a year to support more than 661,000 needy households, notwithstanding the need for considerable fiscal restraint and the need for deficit reduction.

The commitment of resources by the federal government is indicative of the government's concern for the plight of society's most vulnerable members: seniors on fixed income, aboriginal people, persons with disabilities, single parent families, social assistance recipients and the working poor. These people also need to have some investment in Canada, some piece of equity, some dignity.

The 1995 federal budget struck a balance of the dual objectives of reducing the size of the federal deficit, thereby contributing to economic growth, and at the same time making social housing programs more fiscally sustainable over the long term.

In its first budget in 1994 the government announced that it would reinstate RRAP, the residential rehabilitation assistance program, for two years. The program assists in the upgrading of substandard housing. We are taking existing housing stock which is recyclable and using a $100 million commitment which also fulfils a red book promise. We are taking housing stock and putting money into fixing it and making it reusable.

The government has also provided for new rental and rooming house components of RRAP, $16 million for 1994–95 to repair approximately 2,500 rental and rooming house units. These programs are being delivered in 1995. I must say that in my riding there are rooming houses for some of the very poor that I would not want a dog or a rat to live in, although many rats already live there.

New commitments under the on reserve housing programs have continued. As well the federal action on family violence has been extended to March 31, 1996. Some $4 million is being provided to help address the shelter needs of women and children who are victims of family violence. This again is what we talk about when we talk about health and justice. Women and children who are the victims of family violence and various forms of abuse need a safe place to live.

Therefore CMHC is not only engaged in access to housing, jobs and the economy. It is also responding to a social need.

• (1135)

We will continue to work with all levels of government, the private sector and community groups in a co–operative partnership. Partnership is one of the things the government said it would embark on, and we are doing it.

One way we are accomplishing it is through the CMHC's Canadian Centre for Public–Private Partnerships in Housing. The partnership centre was established in 1991. Its objective is to bridge the public and private sectors to facilitate the production of cost effective and accessible housing for low to moderate income households, including those with special needs.

We say that government cannot do everything for everyone so we are asking how the government can work with and help the private sector to move along and do the things we want done. Also there are essential ventures into new areas through such means as innovative financing and tenure arrangements. Much of the centre's activities are accomplished at the grassroots level with a view to encouraging a wide variety of people active in their community to become involved in newly created housing partnerships.

The partnership centre identifies opportunities and brings together potential partners to develop and implement the partnerships. It acts as a source of advice by offering an advisory service to potential partners to identify the key legal, financial and regulatory issues that need to be considered in structuring a private–public deal. Since its inception the centre has ventured into innovative tenure arrangements such as occupancy rights, life leases, equity co–ops and home ownership equity partnership programs. At the end of June this year, the centre had facilitated the realization of 79 projects totalling in excess of 4,200 housing units.

I will take a minute to outline a few innovative projects that have been made possible by the new public–private partnership. In my riding of Vancouver the Kitsilano Equity Housing Co–operative offers affordable housing for families. Equity co–operatives are ongoing housing co–ops financed partly from the investment of its own members. Traditionally aimed at seniors it is now branching out to help many other Canadians.

The project demonstrates that it is possible to provide families with affordable housing options in a market where starter homes are very expensive. This type of project is being made possible thanks to this partnership. Clearly the partnership centre is working. It was an experiment and we have seen that it is working very well.

Some may ask, especially members of the third party, why the government is involved with mortgage insurance when the private industry is offering the same product. The straightforward answer is choice. CMHC gives Canadians a choice of mortgage loan insurance. Without CMHC, Canadians would only be served by a private sector monopoly that can do what it wants with rates and down payments. The risks of the monopoly are higher prices and fewer choices, making housing less affordable particularly for first time buyers. The federal government has a constitutional responsibility for banking and for finance. CMHC's mortgage insurance guarantees and demonstrates that the federal government is fulfilling its role.

I have heard members talk about the risk involved. When looking at the risk in any business we look at marketplace needs. Some 74 per cent of Canadians have said they would like to use the program. We then look at past performances and we see that $1 billion was given back since its inception and $55 million last year. This tells us that it is a good business risk.

I am pleased with CMHC's efforts in my community. I have spoken of the Kitsilano project. There are some Kitsilano senior projects. There are projects for single senior women who live alone. There are projects in British Columbia that are helping

Canadians to be able to get a foothold and become contributing members of society.

In 1994, CMHC's loan insurance helped to house over 300,000 Canadian families at no cost to the federal government. This is because mortgage insurance is self–financing. Most lenders cannot provide a mortgage above 75 per cent. The program helps people to own homes. The approved lender is able to charge the borrower the lowest possible rate of interest. With these insurance provisions Canadians will have access to home ownership, to major renovations and to rental units.

• (1140)

It not only does that. It creates an opportunity. In the red book we talked about creating opportunity. This is creating opportunity for Canadians. It levels the playing field. It gives them a piece of the Canadian dream. It gives them an economic stake in the country and an opportunity to become contributing citizens. It is not just a simple act; it is a broad, social and economic move.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is interesting that the government brings a bill before the House to increase loan liability not by $50,000 or $50 million but by $50 billion. Yet it gets insulted and attacks the opposition party for questioning what is in the bill.

The government is suggesting that Reformers do not like affordable housing. That is a shallow argument. Our job is to ask why the government is increasing the liability by $50 billion. The government had better get used to it, because we will continue to ask these kinds of questions. It is about time somebody did. The government has been in place for two years and has overspent by $80 billion. It is about time somebody asked questions.

Every speaker talked about the minister of public works as though he came up with an innovative bill to help the country. Part of that was a PR exercise for a minister who has been in trouble for the last two years. Now that a cabinet shuffle is on the way, they are trying to make him look good. That is what this is about.

The previous speaker said that it would not cost the government anything. In the recession of 1980 when the Liberal government was in power, were any liabilities charged against the loss on defaulted loans? How much contingent liability is recorded on the books of the country for the current $100 billion and the next $150 billion when the $50 billion is added?

Ms. Fry: Mr. Speaker, I am delighted to answer that question. The very asking of the question, which seems to be the one repetitive question the Reform Party asks in spite of the answers being given, tells me that members of the third party are really not in touch with the people of Canada. They do not understand a single thing about the needs of the people.

Mr. White (Fraser Valley West): Answer the question.

Ms. Fry: If the hon. member will allow me to do so, I will. I would like to answer the question.

Reform members are not in touch with the people of Canada. Seventy–four per cent of Canadians say that the program is important because it assists them in buying homes. We are not talking about an elite group which thinks that only people with a lot of money should be able to own houses.

To return to the issue, I mentioned in my speech, and I will repeat it, that any insurance program and any insurance company base whatever they do on an actuarial risk basis. This has been shown on a routine, standard, normal actuarial risk basis to be sound. This is not only because of the need in the community for it, but over the years since its inception the program has returned $1 billion to the coffers of the treasury. Just last year alone it returned $55 million to the coffers.

• (1145)

I do not know if I have to speak loudly or clearly or what I have to do to get those facts on the table. Maybe repetition is the only way to go.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I have another question for the member.

Insurance exists in the private sector. Insurance is there whenever there is the need to protect against some sort of hazard. One of the hazards is that occasionally mortgages will be defaulted.

It is the belief of Liberal governments that the private sector will provide inadequate coverage for such risks, so the government has to step in. If the insurance that is being provided is profitable then there is no need for the government to step in, because the private sector would do it.

It is not reasonable at the same time to say it will not cost anything, that it is only something we are facilitating in the economy and it does not cost anything. If it does not cost anything, why is the government doing it? Everyone knows that whenever such activities get privatized efficiency goes up and consumers are more satisfied. So why is the government in there? It is because it is subsidizing an activity.

The question then becomes: Why subsidize housing? Why not subsidize food, cars? Why not subsidize clothing? There are all kinds of things that are essential for human life. We are running out of finances in this country. We are going bankrupt.

What do we do as we are going bankrupt? We take over a function the private sector could provide, but of course it is not doing it adequately. It is not giving enough subsidy. So here we are creating a program that gives more subsidy to an activity that some believe is no more worthy and no less worthy than any other of the kinds of things we consume in Canada.

Is there a prima facie case for the fact that this activity of the organization that is having its liabilities raised by $50 billion is one that requires a subsidy in the form of contingent liability? Could the member please explain to us, since she has studied the subject, how big the contingent liability is that Canadians see when they look at the annual budget?

Ms. Fry: Mr. Speaker, I thought I answered that question before. Perhaps I will have to try a different way of getting my message across.

I want to quickly say that in the riding of the member who asked me the first question, 5,580 constituents have purchased homes using CMHC funds. Since 1992, 1,663 constituents have purchased houses. In the riding of the member who asked me the last question, since 1992 some 1,525 constituents have purchased homes. Since 1992, 254 have purchased homes by taking advantage of the first home loan insurance program. We have here a party that professes to represent its constituents. I hope the party is representing its constituents here.

I want to deal with the issue of default on mortgages. The premiums and the fees are actually what allow CMHC in this program to continue to subsidize to get this program to work on a basis where it brings money back into the system. There is a low risk component to this insurance program. The low risk component, as is always done in insurance programs, subsidizes the high risks so that they balance out. That is the basis on which most insurance programs work.

• (1150)

Mr. Bélair: Mr. Speaker, on a point of order, I see that the hon. member has already asked a question of the parliamentary secretary and this is not allowable.

Mr. White (Fraser Valley West): So what?

Mr. Bélair: There are rules. Just in case you do not know it, there are rules here.

Mr. White (Fraser Valley West): So your person should ask the question? This is the opposition asking the question.

Mr. Thompson: We do not need any more of your guff.

The Acting Speaker (Mr. Kilger): While this other discussion is taking place, the clock is running.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, it is a pleasure to speak in the House today in support of Bill C–108, an act to amend the National Housing Act.

As my colleagues well know, CMHC has an important role to play in helping Canadians gain access to ownership. While listening to the debate and the questions, I am wondering what is at issue here, whether we are discussing the essence of contingent liability, as opposite members referred to it, or whether it is the issue of whether they agree with giving access to housing to moderate income Canadians. Is that the real issue? Is it the issue of subsidization they are interested in weasel wording about, or is it that they want to carry on with their right wing agenda and do not want to give anything to middle income and poor Canadians? Is that the real debate? That is the question we should ask members.

In terms of subsidies, a clothing subsidy was mentioned. Well, they have a clothing subsidy, a subsidy for the suits for their leader. That is interesting.

Mr. Thompson: Your pension would make house payments too.

Ms. Blondin–Andrew: I earned it, thank you. I forfeited one pension and I am not ashamed to accept my pension.

Mr. White (Fraser Valley West): Another shallow argument.

Ms. Blondin–Andrew: What is really shallow here is the debate coming from the other side.

I want to focus on the issue of CMHC's mortgage loan insurance and its mandate to provide equal access to Canadians throughout the country. It is important to achieve that goal.

As an aside, there is a shortage of housing across the country. Some 11,000 units are needed. In my riding I believe 3,400 units are needed. There is overcrowding, health problems, young people in overcrowded situations where it makes learning and living difficult. The safety and security of the person is at risk here. That escapes the rhetoric coming from the opposite side.

I should also say that there is absolutely nothing wrong with having Canadians gain access to housing. That is a real source of empowerment. It is a way to give integrity to the family, to the individual, and a way for people to build a life in this country, to build security and stability. Homeowners across the country throughout many decades have said that the main source of empowerment is to own a home and build from that home for their children.

The party opposite says it is family oriented. What is more family oriented than owning a home? Reform members talk about the value. They call it a shallow argument that home ownership is related to family values. Let us think on that one. The weasel wording of that one sad opposition member is very shallow and indeed is misdirected. People are very well aware of that.

CMHC has the unique role of ensuring equal access for Canadians throughout the country. It is a major factor that distinguishes CMHC's operation from private mortgage loan insurance operations.

CMHC'S commitment is to provide mortgage loan insurance in the small communities of the country, the places private insurers do not traditionally want to serve, such as my riding. In many parts of my riding, which is very isolated, and in rural

parts of the country we do not have access to the banking system. We are right off the financial institutional grid.

• (1155)

Those people are not eligible to get mortgages. Even if they had a high income, a moderate income, or double income, they are not eligible to get into home ownership in terms of the financial institutions. They are not served in that way. That is a fact. In places private insurers have not traditionally wanted to serve or have not been able to serve, many Canadians might not be able to buy a home.

Let me illustrate how important CMHC mortgage loan insurance is to Canadians in small communities. Take CMHC's loan insurance activity in the municipality of Brooks, Alberta, with a population of 10,000. In 1994, 137 households were able to access home ownership thanks to CMHC's mortgage loan insurance. Take for instance the importance to the Northwest Territories, where I come from, in terms of home ownership. I guess it is very difficult, but looking at the statistics in the Northwest Territories, 660 loans were let out and were insured to $110 million. These are for people who want to own their homes.

Under the Northwest Territories Housing Corporation assistance program, in August 1995 CMHC accepted as equity grants provided under the NWT's down payment assistance program. This helped families who could afford the ongoing operating and maintenance cost of home ownership and purchasing their own homes. Since its introduction, 24 families have purchased their own homes. It is very significant for our population of 72,000 people to have loans that were given to that many people so they would be able to move into their own homes.

In fact there is one other special need you could look at: the underwriting on federal lands reserved for Indians. This is an issue that should really get the opposite members hot under the collar. Anything for Indians would be almost not spoken of or forbidden.

Mr. Thompson: Oh, come off it. Give your head a shake.

Ms. Blondin–Andrew: In October 1995, CMHC provided mortgage loan insurance—

The Acting Speaker (Mr. Kilger): Order. There is no doubt that any debate can raise some very strong views and strong emotions, but in the best tradition of this 35th Parliament I would remind members to direct all their interventions through the Chair.

Ms. Blondin–Andrew: Mr. Speaker, through you to my colleagues in the House, there is an underwriting on federal lands reserved for Indians. In October 1995 for instance, CMHC provided mortgage loan insurance to an operating company of the Yellowknife Dene band so it could access bank financing to build a 10–unit apartment building on federal land reserved for Indians. The apartments will be occupied by low income families and the operating costs of the project will be subsidized by the NWT Housing Corporation. That is a fact.

Many of those communities do not have access to those financial institutions. They are looking at innovative ways of getting housing for those people. There are 34 housing units that are needed in the north.

The south does not have the inclement weather and the harsh climate we have, nor the heating costs we have. Maybe they do in some of the northern parts of the provinces. Really, look at the opportunities these people have carved out for themselves to empower their people, to enable their people to become independent and self–sustaining. One of the first ways they look at is home ownership, by building that infrastructure and making it possible for people to own their own homes.

• (1200)

This year, as of September 30, going back to the community of Brooks, Alberta, 153 households became proud homeowners thanks again to the mortgage insurance funds. Make no mistake, if CMHC were not in the mortgage loan insurance business 290 families in Brooks, Alberta might not have been able to buy their homes. These 290 households represent 83 per cent of the total number of households, 349, that bought homes in Brooks, Alberta during that period.

The government knows how much Canadians value home ownership. Home ownership has always been valued at the community level. The first thing the settlers of this country did was build a home. Many were eventually able to get assistance from the banks and their communities to do joint projects to build homes. That is the way it was done and there was nothing wrong with that. Home ownership is much valued as the Canadian way. It is a source of retirement income for some. It is the one thing they may hang their hat on and feel security from. It is also an important component of quality of life.

We believe every Canadian should have access to home ownership. CMHC's mortgage loan insurance can turn the dream of owning a home into a reality. It is therefore critical that CMHC be able to continue to provide mortgage loan insurance to Canadians now and in the future. That is why I support Bill C–108. I hope my colleagues will see fit to give swift passage to the bill so that CMHC can continue to help Canadians realize their dream of owning a home.

There is an abundance of ideas out there, but many challenges befall Canadians who are isolated or in remote areas or who are not in the high income brackets and who face many fiscal challenges. Those people need help from various levels of government and organizations.

There are so many things that happen but when it comes right down to it we can talk in technical terms and be very abstract. We can talk about the whole fisc and all that but when it boils right down to it we are talking about the quality of life for people. The real meaningful essence of this is that people have access to homes, that they are able to own their own home and

build a life for their children and themselves; real security and in practical terms, stability.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is interesting that with the previous speaker I asked how much of a contingent liability is recorded on the books and how much the government lost by loan guarantees in the eighties recession. The answer, which was passed down to the member from the lobby, was that there were people in my riding who took advantage of a CMHC approved loan. That is the answer to those two questions.

I presume therefore the member is suggesting that because people in my riding took advantage of a CMHC approved loan I should be in favour of increasing the loan liability from $100 billion to $150 billion. There is more logic. It boggles the mind where some of these shallow arguments are coming from.

When this legislation was brought in one person in opposition spoke to it. Since then it has been all Liberal members speaking to their own bill. The reason is there is no legislative agenda from over there whatsoever. For a country that has overspent in the last two years by $80 billion, for a country $566 billion in debt, for a country where crime is very serious, one would think there would be a legislative agenda. But no, what we have are Liberal MPs talking to the bill and nobody on the other side making speeches to it. I think it is a disgrace.

• (1205)

My question to the member is the same as to the previous speaker. Surely she can get an answer from the lobby on this. How much of a contingent liability is recorded on the books of the government?

Ms. Blondin–Andrew: Mr. Speaker, to the hon. member, and I am a little doubtful about the hon. part—

Some hon. members: Oh, oh.

The Deputy Speaker: The hon. secretary of state will withdraw that statement immediately.

Ms. Blondin–Andrew: Mr. Speaker, I withdraw it.

The hon. member fundamentally asks whether the MIF is in trouble. Is this an additional $50 billion liability to the federal government? The mortgage insurance premiums charged by CMHC are sufficient to meet the risk being assumed at no cost to the government.

The viability of CMHC's mortgage insurance fund is assessed annually by an independent actuary. An actuarial evaluation of the fund as of September 30, 1994 has confirmed its long term solvency.

The member is creating a worst case scenario that is not justified by the facts. Government members have explained again and again that CMHC charges premiums that cover the risk. The fund is sound and has helped thousands of Canadians.

The real liability is the sense of uncaring, the sense of indelicacy on the part of this member, not caring that people of moderate incomes have access to home ownership. That is the real liability. If past governments had taken that attitude, nobody would own a home today.

Mr. White (Fraser Valley West): You do not know what you are talking about.

Ms. Blondin–Andrew: You think you know what you are talking about, you idiot.

Mr. Strahl: Mr. Speaker, we have a real problem here.

The Deputy Speaker: On a point of order, the hon. member for Fraser Valley West. The Speaker seems to have walked in on an interesting discussion.

Mr. White (Fraser Valley West): Mr. Speaker, I can appreciate debate in the House. Whether they like it or not, it is going to happen. However, this is the second time now and I would like the member to retract the word idiot.

Ms. Blondin–Andrew: Mr. Speaker, the member himself has hurled many abuses across the floor. We have sustained them. We have taken them but I can be honourable enough to retract the word idiot as I referred to the member.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I listened to the hon. member's speech. I did catch what she talked about, the importance of home ownership in Canada, which many of us believe in. It is important for many reasons, whether for enhancing the family, sense of ownership, pride and so on.

She mentioned the necessity for CMHC to be involved specifically in lending money to build homes on native reserves. I agree with the member it is very important for people to own their own land. I would like to see the right to own property entrenched in the Constitution, something we do not have constitutionally now.

• (1210)

I wonder if the member thinks it would be useful to allow natives on reserves to actually own the land. Then they could mortgage it and put houses on the land, just as everyone else does in Canada. It is a bit of a problem. The federal government is the only lender which will guarantee those mortgages because the natives do not own the land they live on in fee simple.

She talked about the pride of home ownership. I wonder if it would not be a move in the right direction to allow natives to own the reserves in fee simple so they could then take out mortgages like any other Canadian and have the pride of ownership she spoke about earlier.

Ms. Blondin–Andrew: Mr. Speaker, my hon. colleague brought up a very interesting point. It is a very complicated question. The issue to which he referred would involve changing the Indian Act and making a number of constitutional amendments. It is complicated.

It is not in my mandate to make such a pronouncement. However, if we attempt to ensure that aboriginal people can gain access to home ownership, the issue we are debating today, we know the hon. member would support us. If it involves any kind of work dealing with aboriginal rights, dealing with self–government, dealing with the empowerment of aboriginal people, of course the hon. member would support the government. We appreciate that. Essentially that is what it would take to answer the very complicated question he asked.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I would simply like to relay for the information of the House that one aspect of the CMHC loans has not been mentioned: CMHC guarantees do not always kick in. There is an example in my riding of a condominium which failed to keep up its premises. As a result the directors of that condominium corporation were liable. There are inherent risks not necessarily covered by the insurance.

I compliment the secretary of state for bringing the essence of the debate down to the importance of home ownership. I ask her again to remind the House of the importance of the home to Canadian life.

Ms. Blondin–Andrew: Mr. Speaker, it bears repeating that we must look at the question in the light of how it affects the majority of Canadians but also those with specific and unique needs, including aboriginal people, who often live in remote and isolated regions, the disabled and single parents. That is a very important issue.

I cannot express enough that the real empowerment of the family or the individual is home ownership. It provides a great deal of stability economically, emotionally and in terms of a safe environment. The safety and security of the person is dealt with in the sense of providing a home. It gives an opportunity for the future.

I have some additional information on the aboriginal housing policy the hon. member asked about. This has addressed the failures, experience and inefficiencies of previous programs and has led to self–sufficiency. Is there any new aboriginal policy? The government through CMHC is providing $307.8 million in this fiscal year to support social housing both off and on reserve.

Every bit of achievement in giving home ownership to individuals in remote regions or to aboriginal people who live on reserves or off reserves is a major struggle. Each time we achieve something it is not done without hard work and compromise. It is very difficult, and every time you make progress it is a major achievement.

• (1215)

The Deputy Speaker: Unfortunately, the time has expired. There are two more members who wish to ask questions. Is there unanimous consent to extend the question period?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: I hear members saying no.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Debate.

The Deputy Speaker: The hon. member for Broadview—Greenwood.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate the opportunity to speak on the National Housing Act.

This bill will enable Canada Mortgage and Housing Corporation to continue underwriting home mortgage loan insurance within the legislative limit. I put the stress on the words "loan insurance" because when I listen to my friends from the Reform Party it sounds as if they feel that Canada Mortgage and Housing Corporation is essentially giving loans. This is loan insurance. As a result, that responsibility of the government to come in and cover when someone defaults is minimal.

I want to go back to 1987 when I was first nominated to be the Liberal candidate in my riding of Broadview—Greenwood. I said to my supporters in a room in the Slovenian Hall on Pape Avenue that one of the things I was going to try to work on was bringing Canada Mortgage and Housing Corporation out of mothballs. We had just come through three and a half years when the Brian Mulroney Conservative government had effectively parked the Canada Mortgage and Housing Corporation. In some instances, they not only parked the Canada Mortgage and Housing Corporation, put it in mothballs, but they also devolved a lot of responsibility for housing to the provinces.

I am one of those members in this House who believe the national government has a major role to play in the economy. I

never did share in the dismantling of the national government that Brian Mulroney and his colleagues engineered over 10 years. Even to this day, I have debates and differences with some of my own colleagues as we sell off, dismantle, and in some instances literally give away Government of Canada assets, Government of Canada instruments. I sincerely believe that by giving these instruments away or dismantling them we will lose our capacity to run this very large country.

Mr. Grubel: It is against the will of the people in the regions.

Mr. Mills: No, it is not. It is not against the will of the people. The people believe in a strong national government. They do not believe in this decentralizing system that is evolving right now. They do not believe in it. I am going to be very candid. I am not walking away from what got me elected. If it means I will even have, from time to time, some differences over here, so be it.

Today the Government of Canada, through the minister responsible for Canada Mortgage and Housing Corporation, is returning to traditional Liberal values. It gives me a great deal of satisfaction to stand in the House today and pay tribute to this minister. They are few and far between these days who will go back to traditional Liberal values and say they are going to bring Canada Mortgage and Housing Corporation out of mothballs and make sure it has the proper envelope to go out there and make sure the housing sector is given all the support it needs to get back on its feet.

• (1220)

The member for Capilano—Howe Sound, the senior economist and finance critic for the Reform Party, asks at whose expense. For two years I have been listening to members of the Reform Party. The thought process is cut, cut, cut, dismantle, give away. They have actually to their credit done so well in communicating that message that in fact we in the government have listened to the Reform Party too much.

We support eliminating waste and eliminating duplication, but we must also have growth in this country. The Reform Party cannot differentiate between those instruments of government that can accelerate and support growth and those areas where we support as well the elimination of waste and duplication.

The Canada Mortgage and Housing Corporation is an instrument of the Government of Canada supported by the people of Canada that will help growth. That growth will generate jobs. It will generate an expansion of our economy.

When we talk about housing, we should not just focus on the craftsmen, craftswomen, and all of the trades related to the housing sector. We should also reflect on what other industries benefit from a strong, healthy, vibrant housing industry: landscapers, carpet manufacturers, stove and refrigerator manufacturers, people who make drapes. The list is endless. That is something the Reform Party is missing.

I am not trying to be partisan. I come from downtown Toronto. In my community if the housing industry is flat, if we have no growth in the housing industry, the ripple effect is almost catastrophic. It affects the entire confidence of the community.

The economist from Capilano—Howe Sound knows full well that when developing a sound economic equation you cannot ignore the confidence factor. The confidence factor is the biggest factor in that equation. If in a community like Toronto there is a housing industry that is absolutely flat, it affects all other sectors of the economy.

When members of the Reform Party came to this House they said they were not going to be here just to oppose for the sake of opposing. When a good idea came along that would not cost the treasury a lot of money they were going to support it.

There have been a couple of ideas that have come forward from the Reform Party that I have supported. In fact the government has become so right of centre in its actions that I think the Reform Party should back off a little. If we get so far to the right that we cut all of these instruments that can generate growth, we are all going to be in trouble.

Going back to this housing bill, it is so important that we do not just think of housing itself. These are not loans. We must think of all the spinoffs.

• (1225)

It is important for Canadians to realize that this home loan insurance is not a loan; it is an insurance on the loan. This insurance package is something most of the supporters of the Reform Party want. Most Canadians would agree that it tends to be larger businesses, like the financial institutions, which are so focused on deficit and debt, more so than I would be, that are actually encouraging us to get behind the Canada Mortgage and Housing Corporation loan insurance system. I know this for a fact.

There are big developers in my riding. The leaders of these organizations do not vote for me, although now and again I get a little contribution. I know a lot of their employees vote for me. Does the member for Capilano—Howe Sound know what these big developers say? The big developers say that when they go to their banks they are told that in order for them to get their development loan for their projects they need to produce a certificate of insurance from the Canada Mortgage and Housing Corporation. In other words, the major banks are saying to bring in that insurance guarantee and they will get behind the great job creation project.

By the way, I know of a lot of projects in Toronto. To the credit of the Canada Mortgage and Housing Corporation, under the direction of the minister from Cape Breton, one of the few traditional Liberals left in the House, the insurance guarantee is critical for the homebuilding industry to get on its feet. But he is not just saying to accept any project. Many good projects in the

greater Toronto area have been turned down because the element of risk was just a little too high.

I say to the member for Capilano—Howe Sound that Canada Mortgage and Housing Corporation has really become a much more efficient, more streamlined, more risk averse crown corporation. When we see that kind of behaviour in that crown corporation, it should give members of the Reform Party some confidence so that when the minister responsible says let us increase this envelope from $100 billion to $150 billion where the downside is negligible, in fairness the Reform Party should get behind us.

I want to make sure that some of the fundamentals of my argument are put on the table and the member agrees with them. First, I know the economist from Capilano—Howe Sound, the finance critic, would agree that a vibrant homebuilding sector is really a vital component in any economic equation. Second, he would agree with the spinoffs related to the housing sector. Third, he would also agree this is not a loan per se, it is a loan insurance plan.

He would also agree that this should be a national instrument, that this is an instrument we should not devolve to the provinces, an instrument the national government should continue to operate. We should not chop it into little pieces like a lot of other things we have done around here lately.

• (1230)

The last point I want to make concerns traditional values that all members in the House share, the values of caring and sharing, looking out for each other and family values. The member for Capilano—Howe Sound knows what a home, a roof over one's head and pride of ownership do in terms of strengthening the moral fabric of the country.

The Reform Party has been successful in the last two years in generating cuts, dismantling and offloading. Now that a good bill comes before the House that will accelerate growth in a most important sector of the economy, the housing sector, I appeal to the member for Capilano—Howe Sound to be fair and get behind it.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I am very pleased to have been named so often in the member's address. I will summarize what I as an economist consider the argument against the bill to be.

One view we have heard again and again in today's speeches is that CMHC is self–supporting, that it does not really cost anything. Economists are asking why the government is in the business if this is so. Are members opposite suggesting that the free market will not work, that the free market does not produce services more efficiently than the public sector? The evidence is strongly against that because throughout the world, governments are privatizing and taking these kinds of activities out of the market.

Strangely enough, other members are bragging about the fact that the CMHC system is providing subsidies to others so that they can have houses that otherwise they would not have. How is this possible? If the organization is breaking even, where does it get its resources with which to pay the subsidies? It is conceivable that some activities undertaken by CMHC are creating a surplus. Thus a surplus is being forced or squeezed out of some unsuspecting Canadians participating in CMHC. It is taken by the system to subsidize others.

As a conservative I would suggest that is not the way we should run our society. If there are reasons for subsidizing some types of housing such as that for natives, I believe we could reach agreement on it. Let us make it obvious. Let us make it transparent. Let us not have it hidden in the operation of some huge bureaucracy or in some obscure book.

Another point made by the hon. member was that the housing industry would collapse unless the insurance was there. Whenever we have a subsidy program the economy and the industry adjust to take advantage of it. If we take away the subsidy there is a reduction in output. If subsidies are offered to banks or to anyone they will take them. That is not an argument in favour of saying that we need it.

Mr. Mills (Broadview—Greenwood): It is not a subsidy.

Mr. Grubel: The hon. member says it is not a subsidy. It is breaking even, but where does the organization get the resources to do what it is claiming? It is making it possible for some people to have houses who otherwise would not have them. By definition that is a subsidy. Where is the money coming from?

To say that unless we subsidize and encourage the housing industry the economy will not boom is what we call vulgar Keynesianism. Vulgar Keynesianism means that unless we run a deficit and subsidize a certain activity, the economy left on its own will never produce a full employment equilibrium. That idea was current and fashionable in the 1960s. Today it is totally defunct. Most members opposite seem to have gone to university and have studied it in the 1960s, in the dark ages of Keynesian economics.

• (1235)

We know today that if we subsidize some industries by raising—

Mr. Mills (Broadview—Greenwood): This is a speech; this is debate. Where is the question?

Mr. Grubel: This is debate.

Mr. Mills (Broadview—Greenwood): It is called questions.

Mr. Grubel: Mr. Speaker, this is debate. This is not question period. We are debating the bill and I am giving an opposite view. I want to conclude with one last point.

If the government takes money that it does not have and gives it to an industry to expand, the industry will employ people and there will be an increase in output. However we have found people as a whole look at the increase in the debt. They begin to realize that their future tax obligations will go up to service the debt. They are worried about their children and grandchildren. This is why we find the spending of those who have to pay the bills in the future is down. That reduces demand, output and employment the same amount by which deficit spending increased on the other side.

That is a very well accepted proposition in economics.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I will try to be brief and to the point on the member's questions.

First, the member asked why the government was in this business. If the government were not in the business at this moment in time there would be a virtual monopoly. Is the member from the Reform Party promoting monopolies? I do not think so.

Second, he called it a subsidy. It is not a subsidy. The whole premise of the member's argument was based on the word subsidy. It is loan insurance. It is not the Government of Canada making direct loans. In the judgment of the officials it is a collaborative effort by the Canada Mortgage and Housing Corporation, the banks and the private sector.

The third item has to do with why we are all in this room. This room is not a bus going down the street so that we can look out the window and see people crying out for our help, whether they be young people, middle aged people or older people. This room is not a bus that drives by and says that it only has time for those who can look after themselves.

In essence we are in this room so that when we look out the window of a bus driving down the street, stop the bus, get out and help people in need. There are many people who do not have financial resources either to own a home or have shelter over their heads without this lever or this instrument of national government. I am getting sick and tired of being in the House of Commons with the Reform Party encouraging the bus to go down the street and disregard the people who are crying out for help.

The bill before the House looks after disadvantaged people and the Reform Party should get behind it.

The Deputy Speaker: The time has expired for questions and comments.

• (1240)

[*Translation*]

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: Call in the members.

[*English*]

And the bells having rung:

The Deputy Speaker: The chief government whip has indicated that the vote will be deferred until tomorrow at 5 p.m.

* * *

DEPARTMENT OF HEALTH ACT

The House resumed from November 6 consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I take the opportunity to speak to Bill C–95 and to discuss the health care system.

There are several issues to be talked about. The most important is that the bill is only a name change. It transfers responsibilities and we accept that. However overriding the bill is what we will do with health care.

Mr. Mills (Broadview—Greenwood): Scrap it.

Mr. White (Fraser Valley West): The hon. member says scrap it. We do not agree with that.

We need the highest quality of health care for all Canadians while not increasing the pressures of finances on the public. If we look at where many people come from today, the health care system in communities is an ever increasing cost. The disappointing part is the federal government has not increased its costs. It has actually decreased its expenditures toward the

health care system over the years, thereby putting pressure on the provinces to come up with more and more money.

I have had occasion in the province of British Columbia to work in one of the municipal organizations. I know full well what rising costs are due to in part. Labour negotiations, for instance, over the years have produced increases that are extraordinarily high. Communities had difficulty trying to pay as the costs of labour increased. We know the cost of equipment in hospitals is high and necessarily so, because it has to be state of the art.

On top of all this we have a government saying that we must have universal health care which it relates to medicare. I will talk about the differences in a moment. The government wants it to be universal but is not prepared to pay 50 per cent or a higher percentage than it is today. It has been ever decreasing.

Many people are not happy with the health care system. They have to wait in line for operations, and services are ever decreasing. There are bed shortages, not enough nurses at times and so on.

• (1245)

I have been attending the Royal Columbian Hospital in Vancouver where my niece has been in neurosurgery for the last nine weeks. She was in a very serious car accident. I must say that I have been totally impressed with the health care system in that regard.

I am sure many people have gone through hospitals, have spoken to doctors and have been completely impressed. However, the fact remains that the services are decreasing. I see it when I visit the hospital. There are not as many nurses as we would like to see on staff and so on. The demands and the expectations which people have for health care today are perhaps more than what the provinces can afford. Therein lies a good part of the battle.

Some myths have been promoted across the country. I believe they are more political myths than reality. We hear from the other side that Canada's health care system is the best in the world and that any changes would be detrimental. I do not subscribe to that thesis. The fact is that the health care system in Canada is very good. I cannot from my experience determine whether it is the best in the world, but I am sure it is very high up there.

The Liberals are saying that any changes would be detrimental. I disagree with that. In this day and age what is truly required, because of the costs and the limitations on the resources, is a core set of services that would be provided throughout Canada on a cost shared basis. It could be called a core medical service. Over and above that, we have to allow the provinces to innovate and provide other services. That only stands to reason unless the federal government is prepared to provide more funding into its shared responsibility.

The government cannot have it both ways. It cannot say: "The rules are going to go our way, but we are not going to give you enough money to operate". It is unrealistic to think that way.

If you are looking for changes in health care, we have offered a program for change with a core medical service. Organizations such as the Canadian College of Health Service Executives are coming to the conclusion that there has to be some kind of core service. Trying to provide all things to all people within a very limited finite budget will not work.

Some myths about health care are attached to this party. They are political myths. I can understand when we are campaigning or when we are debating in the House that statements are made to promote one side or the other. Some of the myths are that the Reform Party will dismantle medicare; that it wants a U.S. style of medical system; the Reform Party is in favour of a cash register medical system; it favours private insurance; it is in cahoots with insurance companies; it is a proponent of a two–tier health care system.

The fact is that the Reform Party is a lot more realistic than the government. Unless the government is prepared to look at the funding it provides to the provinces, I do not see how the provinces can expect to live by the standards which have been set by the federal government. It is not realistic.

The biggest burden of cost is on the provinces. The government cannot stand by and promote such things as block funding without eventually finding out what the problems are. I have had a lot of experience with block funding. It is just another way of saying: "You have the same amount of money. You can spend it on whatever you like. If you want more money for health care you can spend the bulk of it but that will take away from welfare transfer payments or post–secondary education". It is still the same amount of money. The government has not really resolved anything other than to change the name and provide the money which has been decreasing over the years.

• (1250)

We have to define medicare today. I do not believe medicare and health care are necessarily synonymous. Medicare to me is a comprehensive set of core national health standards, publicly funded, portable across Canada and universally accessible to all. Canadians regardless of ability to pay should be able to use and access the health care system.

If we get to defining the problem we will be better off. However, if the Liberal government merely says: "The rules are this and we are only going to give you a finite set of dollars to live within", the provinces are not going to take that any more. That is what the debate is on constantly in this House.

We have to remove—

The Deputy Speaker: You have one minute left.

Mr. White (Fraser Valley West): So soon? I cannot even get into the report from the Canadian College of Health Care Executives but if possible in a minute I would like to read some of the conclusions which illustrate where its members are coming from today.

One of their concerns is with the political concerns of this country. The report says: "With the increased importance of health care to the public, main issues have become campaign issues for many elections. There is concern that pledges to balance budgets will result in reduction in the quality of health care provided".

They are really saying that politics are limiting this, and that politics are part of the problem in the health care system. I agree. The Liberal government has to open up on the issue of health care and get away from the idea that we have a traditional system, there is no other way to do it and that it is finite.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to speak in support of Bill C–95 because I believe in the importance of a federal department of health. I am among those Canadians who value their health care system as one of those things that tie us together as a nation.

This system for which you and I share responsibility is central to our identity as Canadians. More than any other program of government it reflects our belief that we are mutually responsible for each other's well–being. We exist as a nation and will continue to exist as a nation precisely because we do care for one another.

However, if we are to preserve what we value we must be aware of the changing times. The budget signalled a new era of fiscal responsibility and smaller government. We cannot escape the financial facts of life which mean we will have to abandon some old ways of thinking and some old expectations of government.

I hardly need to emphasize how far we have come together. We know that Canadian health care is second to none in the world. Everyone in Canada has reasonable access to health care. We establish our priorities for treatment based on medical necessity and not on how much money we have. No Canadian need fear now or in the future that a catastrophic illness will result in financial disaster.

As we approach the 21st century there is a new fiscal reality. The government has recognized it and is acting responsibly to deal with it. We are committed to protecting social programs. Indeed, the government's budget was about taking the fiscal steps necessary to do so.

Our national health care system is rooted in our common Canadian values of equity, fairness, compassion and respect for the fundamental dignity of all. The goal of the new Department of Health is to preserve medicare and put our fiscal house in order.

Many of the values that make up Canada's social fabric are reflected in the five principles of the Canada Health Act. They reflect the Canadian concern for justice and equity in our health care system and they are not going to disappear. Canadians will not allow that to happen. The Canada Health Act and its five principles of universality, accessibility, portability, comprehensiveness and public administration will be maintained. The principles of the Canada Health Act are not just words. Their meaning has stood the test of time. In their totality they assure both the provision of quality health services to all and the containment of costs.

• (1255)

As Canadians, we believe all must have access to services. People cannot be de–insured because they might be too costly for the system to cover. They cannot be turned away at a hospital door because they have not paid their quarterly tax bill or their provincial premium. If we need health care, we will be treated the same as anyone else. That is what Canadians mean by equity. This recognizes our dignity as human beings and thus demonstrates that we are a fair and compassionate people.

Of course, new realities require new thinking about how we will do things. That thinking must be pragmatic and stand the test of both fairness and fiscal reality.

This fiscal year the federal government is transferring $15.5 billion to the provinces and territories for health services. The total federal health, post–secondary education and social contributions for 1995–96 will be about $29.7 billion under the established programs financing and the Canada assistance plan.

With the introduction of the Canada health and social transfer in 1996–97, total transfers will be $26.9 billion. The transfer reduction for 1996–97 represents, and I stress, less than 3 per cent of the estimated provincial–territorial expenditures for health, post–secondary education and social programs. It is also less than 2 per cent of provincial government revenues.

What is important to highlight is that the federal cash contributions under the Canada health and social transfer will not disappear. In fact, when you take into account the economies that provincial governments are putting in place, the federal proportion of funding in most provinces will remain steady or even increase. Make no mistake about it, the federal government is in medicare to stay. There will be stable, ongoing cash in the system to ensure that it is sustained.

Sustaining the health system does not mean spending more; it means spending better. Research demonstrates that there is no direct relationship between increased health spending and improved health outcomes. It is not the amount of money we dedicate to our health care system that will ensure a healthy population. Rather, it is the way we spend it.

We can do more with less, without in any way jeopardizing universal access to quality health care on uniform terms and conditions for all residents of Canada. In fact, we are doing more with less, as comparisons with the United States continue to demonstrate.

Traditionally, the split between public and private spending has been about 75–25. Currently, the private share is rising and is now over 28 per cent. This is a trend that must be examined as we look at ways to keep health care affordable to all residents.

We are doing this for several reasons. One of the most important is that the threat facility fees pose to the public system's ability to continue to deliver the efficient results that we have come to expect. By billing both the patients and the taxpayers private clinics does not take pressure off the system. They take resources away from the system. Facility fees fracture a system whose greatest strength is cohesion.

Look at the issue from the point of view of efficiencies and economies. Encouraging the growth of private clinics with partial public funding takes all of the strengths and efficiencies of our health system and turns them on their head. It reduces economies of scale. It undermines our bargaining power.

Like the U.S. system, a movement toward publicly funded private clinics could shift more of the Canadian economy's resources to health care at the expense of other areas that could provide greater benefit to the health of Canadians. It could very well end up costing more while providing less. It would be hard to think of a better example of counterproductivity. Moreover, it threatens to create an under supply of services to the majority of Canadians and an over supply to the wealthier minority. It would be difficult to think of a better definition of inefficiency.

• (1300)

Medicare is based on fundamental principles, but they are not abstract principles. They are pragmatic. They were designed to make it possible to provide every Canadian with the level of health care he or she truly needs. We must do so at a cost we can genuinely afford.

I will comment briefly on the Reform Party position on Canada's health care system. It is advocating a two tier system of core services in which Canadians have to pay and in which the rich can jump the lines and get ahead. This demonstrates a lack of vision. It demonstrates a sincere lack of understanding of the fundamental principles of the Canadian health care system.

We will not transfer our Canadian system into a U.S. style system. Canadians know full well the quality of health care in the United States and it certainly is not the kind of health care system Canadians want.

Canadians look on their health care system with pride. We have an overwhelming degree of satisfaction with what we have created. They expect governments to work hard to adapt to changing times and to priorities. They understand the need for cost effectiveness in what we do. They expect governments to work as a team to meet goals they set years ago, goals such as access and universal coverage. They are still valuable and still appropriate.

The new federal Department of Health is ready to take up this challenge. I am proud to add my support to the bill. I indicate most emphatically that the Reform Party is seeking to undermine the fundamental principles of the Canada Health Act, which Canadians have come to rely on and which they deserve.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, at a time when we are considering the act to establish the Department of Health, the first question we could ask is: Why have a federal Department of Health? The British North America Act says in section 92.7 and section 16 that health and social services are a provincial jurisdiction. So why did the federal government get involved in the health care sector?

To refresh our memory, I may recall that during the Second World War, the federal government obtained the right to collect income tax on a temporary basis, as they said at the time, to pay the country's war debts. However, by the end of the war, since people were now used to it and considering spending powers under the Canadian constitution, the federal government felt it would be useful to to continue to be involved in this area.

This led to the creation of several white elephants, to take action in areas for which the federal government had no responsibility. Today, the Department of Health is an interesting case in point. Quebecers and Canadians should know that for 1996–97, the annual cost of the federal Department of Health will be more than one billion dollars, which includes $347 million in salaries for staff and $703 million for goods and services, this in addition to administering $7.4 billion in transfer payments to the provinces.

We can see the insidious effect of what happened at the end of the Second World War, when the federal government, having obtained the right to collect taxes, returned this money to the provinces in the form of transfer payments. On the other hand, if every province had kept the right to look after health care, it would have been able to raise taxes so that citizens would know exactly what amount is spent on the health care sector and whether it is well spent. Unfortunately, that is not the model we developed in Canada. Today, we have a rather extraordinary situation where the federal government, while reducing its contribution to health care from year to year, nevertheless maintains national standards and thus puts the provinces, with

their responsibility for the day to day administration of health care, in an impossible situation.

The federal government says emphatically: no extra billing, but at the same time it denies the provinces the funding they need, and there is no reduction in the tax points the federal government collects.

• (1305)

The provincial governments are unanimously opposed to this state of affairs and are trying to do something about it. The federal government wants to create a Department of Health that would be a continuation of previous departments, but at the same time the government assumes the right to intervene in a number of sectors, and that is why we think this does not augur well for the future of Canada. In the months and years to come, important budgetary decisions will have to be made.

I repeat that if we have two bureaucracies looking after health care in Canada—and in fact there are not two, there are more, as many as ten or eleven, because each province can have its own department of health—there will be unnecessary spending, unavoidably. When they say: "The government has no more money, where could it cut spending, how will we determine our social options for the future?", the first place to look is where we have duplication.

Are there not areas in this sector that should not be the responsibility of the federal government? Should the federal government not withdraw and give the provinces the right to take care of a sector that is theirs under the constitution?

I would like to give a few examples of this encroachment. For instance, for the strategy for the integration of persons with disabilities, funding will be $46 million over five years, $46 million to be spent on the integration of persons with disabilities. If we consider the situation in Quebec, the province already has its Office des personnes handicapées which does the job, and here we see two governments involved in the same sector. Of course the whole $46 million will not be wasted. There is money that goes directly to people, to the client. But let us say this amount includes $5 million for administration costs. If only one intervenor was involved, we could save that much and relieve some of the pressure on the federal budget, while services could be maintained quite adequately.

Another sector is family violence. A program was set up that would cost $136 million over four years. Again, this is a valid activity and government action is desirable, but the fact that two governments are involved undermines the effectiveness of these programs.

Say that in this case 10 per cent goes to administration costs, we could save $13 million. In the end, the same taxpayer pays the taxes. Whether he is paying municipally, provincially or federally, he always pays his taxes. So it is not surprising that those advocating decentralization so areas of jurisdiction may be recognized are critical of this sort of legislation by which the central government wants to impose its decisions on the provinces in areas where it has no responsibility, in areas where the provinces have constitutional responsibility.

Let us continue down the list of programs duplicating the action of the provincial governments. The new horizons program for seniors is another example of duplicate administration and duplicate bureaucracy. Members should see the forms the senior citizens clubs have to fill in to obtain these receipts. Often the administration costs for these programs equal what is paid out to senior citizens' clubs. This sort of thing is unacceptable, and people are rebelling against it. They want elected officials to clarify the situations.

Other examples include the seniors secretariat, the fight against smoking, the anti drug campaign, the national AIDS strategy, the children's bureau and, the best example of all, the national health forum.

Imagine. The federal government gave a team of experts a mandate to look at health management in Canada assessing the relevance of maintaining existing programs and of making change, but without the provinces taking part in the forum on health. This, for me, is the height of federal interventionism. From within an area of federal jurisdiction, a decision is made to interfere in an area of provincial jurisdiction, the provinces do not participate in the forum on health and no one has the patience or wants to do the negotiating necessary to have them there.

• (1310)

This means that, in the end, when the Prime Minister receives the report from the committee responsible for the forum on health, as its chair, he will be also be handed a total rejection by all the provinces of the report's conclusions.

We cannot ask people we have not included in the process to accept the conclusions reached. First of all, a determination should have been made of who ought to take part in the forum—was participation by the federal government really appropriate. Then, steps should have been taken to ensure that the provinces had a strong and appropriate voice that would have allowed them to address actual situations, because all the institutional networks are provincial.

These include hospitals, community health centres, shelters. Practical decisions are needed: reforms in individual provinces, the need to strike a balance between active treatment beds and extended care beds. At the moment, the provincial governments are bearing all the weight of the difficult decisions in this area, while the federal government, washing its hands of it, is reducing the funds it gives to this sector annually.

I will conclude on this point. When, in upcoming months it is looking for a place to save some money, one of the first could be the federal government bureaucracy enshrined in the Department of Health. How much can it save of the $347 million used to pay the salaries of officials working in the same area of activity as the provinces?

[*English*]

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise today to speak in support of Bill C–95 not only because it provides a framework for Health Canada, not only because Canadians are renowned worldwide because of their health care system, but because today more than ever we need the support of a vigorous health care system.

There are those who condemn the cost of uniform health care to all Canadians. These individuals fear that a changing economy and a fast moving society will make it more difficult to maintain the current system.

As technology improves and surgical breakthroughs evolve, expenses increase. Transplants and bypasses are becoming more common and the therapy and equipment associated with these operations are more costly.

We are moving from an industrial age to an information era. Associated with this transformation are economic and social disruptions which bring greater demands to the system.

Our current system though stressed is simply reflecting the pressures associated with change. We already have a system that has provided a foundation stable enough to support change and we now maintain that system as the cornerstone of our society.

In my riding of St. John's West unemployment rates are some of the highest in the country. Every rise in the unemployment rate brings a greater increase in stress related diseases.

Our country represents a nation united. This could be seen in the strong support that Quebecers received, including support from those in my riding.

As our nation experiences change, we see fluctuations of high and low points in the economy of each province. What we need is stability. We need stable variables to rely on. One variable must be our health care system. This system must serve to maintain stability and unity within and between the provinces, a symbol of what it means to be Canadian.

Increases in stress related diseases produce associated afflictions such as increase in spousal abuse, alcoholism, drug addiction, high blood pressure and cardiac problems. The stress of not having the stability of a uniform health care system to rely on will certainly generate increases in stress and stress related diseases.

Members opposite have from time to time criticized the Department of Health because they say it spends too much money. I say it is money well spent, and not more than its responsibilities require.

The Department of Health is the department of defence against disease, the common enemy of all Canadians. Health allows no fiscal restraint. It is the challenge of the Department of Health to maintain an infrastructure that guarantees quality health care to Canadians in good times and in bad regardless of their economic position.

The health system I see is one that does not represent a net cost to the country, but a benefit. It is not an expense but an investment. Every element of economic and social life in Canada gains from medicare. Canadian patients are freed from the extra burden of health spending when the trauma of illness weighs heavily. Physicians are assured of payment for their services, while retaining professional freedom. Hospitals have more financial security and can better serve Canadians.

• (1315)

Most important and least obvious is the fact that Canadian medicare provides many economic benefits to the country as a whole. To take one example, more than $7 out of every $10 that is spent on health care in Canada is paid out of a provincially administered insurance plan. This single payer system in each province has built in efficiencies that allow considerable control over total expenditures. This efficiency is what holds per capita health costs in Canada well below comparable costs in the United States. Because of this control over spending, personal resources are freed for other priorities, of such as education, housing, and nutrition, all of which enhance the well–being of Canadians.

There are aspects of medicare that provide Canadian business with competitive advantages in the global market. Some international firms have established plants here because the cost of providing employee benefits in Canada is significantly lower than in the United States. Medicare enhances labour force mobility, and access to quality health care helps to ensure a healthy and productive workforce.

In St. John's West the labour force mobility is currently essential to long term sustenance, and the maintenance of our health care system is vital to ensuring the people of Newfoundland have a fighting chance in terms of labour mobility. Healthy business means economic growth, which in turn results in jobs, less unemployment, a healthier population, less stress related disease due to undue stress in the workplace, fewer demands on the health care system, and lower health care costs.

Health must be everyone's top priority. We must commit a large percentage of resources to maintaining health. It is our right and responsibility to do so. At the same time, we must be

vigilant and innovative to ensure that what we are spending is done with economy in mind.

Among the areas the Department of Health is investing in is health intelligence. This initiative, which will include participation in a new global network designed to detect emerging diseases, is endorsed by provincial governments. The provinces know that national leadership in this area is essential if we are to make the most cost effective choices among all available health technologies and options.

Inevitably, there will be an increase in movement toward international standards or international processes. This department on Canada's behalf is very much in the forefront of this trend and will lead, not follow, other countries in establishing health standards.

The minister has spoken about maintaining traditional values and at the same time getting value for money. In St. John's West and throughout Canada tradition is what has made our country so unique. Health Canada promises to work closely with the provinces and territories in order to avoid duplication of programs and services, contrary to the comments made previously by my colleague in the Bloc.

All in all, I have confidence that the department that will be brought formally into being by this bill has its priorities straight. It will serve Canadians. It will guard our health and our health care system. It will do this with regard for efficiency and for getting at least $1.10 of value for every $1 it spends. Above all, it will continue to provide assurance that our national life and economy will stay vital at the domestic level and competitive abroad based on a healthy and vigorous Canadian population.

I have no hesitation in supporting the passage of this bill to create the new Department of Health. I urge my colleagues across the floor to do the same.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to try to get a point clarified.

I do not know why we are debating the creation of a Department of Health. Do we not have a Department of Health? Do we not have a Minister of Health? Is this the kind of legislation we should be debating in this House, talking about things that already exist? Did not Kim Campbell set it up two years ago and it has already been operating? Is this the best this government can offer? I cannot believe we are taking up two hours voting for the creation of a Department of Health that already exists.

• (1320)

Why does this government not get on with governing the country and providing the provinces with some leadership? Government members know very well that all the provinces are angry that we almost lost one province and this country almost broke up. Why do they not do something about the promises they made during the referendum campaign and get on with some serious legislation that would help this country?

Mr. Speaker, do you really think that debating this bill and creating the Department of Health will now make the province of Quebec want to vote to stay in Canada, that it is going to convince the yes voters to vote no because this is exactly what they were looking for from the Government of Canada? The Prime Minister is now off on another trip. I do not understand what this government is all about.

Where does the member for Mississauga South get off attacking the Reform Party on its health care position in an aside from his scripted speech that was written by the department, as if our health care position is out to destroy health care in Canada. Either the member does not understand our platform or the issue, which is more likely the case, or he has nothing better to do.

Our party has put forth some concrete suggestions to reform health care in this country. I find it ironic that this government prides itself in introducing the health care act, that it is proud of the health care act to the degree it keeps preaching about some of the fundamentals, that it will protect health care for Canadians in terms of accessibility, portability, affordability, and equal access to all, unlike the Reform Party which favours a two tier system and would kill health care. What is the government afraid of in terms of the Reform Party?

We also want to preserve all of the items in the Canada Health Act. However, the one element the government conveniently forgets and the one principle the Liberal government conveniently leaves out of this equation is that in the Canada Health Act it promised to pay for 50 per cent of the services, 50 per cent of the cost of the program. It has now reduced it to 27 per cent.

This wonderful new Minister of Finance who cannot balance a budget and this new wonderful Minister of Human Resources Development are now going to further reduce what they give to the provinces for health care; they are going to further reduce what they give the provinces for education. They are saying to the provinces: "You must stick by these principles; you have to retain this level of services and we are going to give you less money to do it".

If by chance the provincial governments decide to be creative enough to come up with a method of delivering the same level of service with less money, of reducing the line ups at no cost to the federal government, they cannot do it because that is the American style. The government says: "Listen to us. We know best because we are the federal government".

This is a stubborn headed type of attitude that is tearing this country apart at the seams. It makes me mad to come here as an

Albertan and see those people sit on that side of the House and not listen to concrete suggestions, to always put them down and say we are destroying everything. We are here to offer constructive alternatives.

When it comes to health care, we want and need to recognize that the level of support and the level of funding for the various social programs we have are of such a high level that we can no longer afford to sustain spending at these levels. Therefore we must all look at ways and means of reducing the costs while delivering an effective service, ways and means of getting people in and through the system who really need attention rather than preventing them from moving forward.

Let me talk about the principle this government will not talk about. It is out of money; it is broke. Yet it still talks about all the wonderful things it can do for the people of Canada. Mr. Speaker, I know we are not supposed to use certain words, so I will try to get the word right. That is a gross misrepresentation and a lack of intellectual honesty in terms of the Canadian public. Here we have people who are supposed to be responsible, who are supposed to be giving Canadians what they need, yet they play politics rather than play with the facts and the reality of the situation.

• (1325)

Why not have a good debate and a discussion about issues like topping up a health care system that badly needs topping up with a system of an insurance policy in place in provinces if a person wants to do that to have access and pay for certain operations? If somebody's life is saved, what is really wrong with that? Why not? Do the rich not deserve as much as the poor?

I do not understand the debate the Liberals always use. Anything that we suggest always favours the rich and is against the poor. We are talking about lives. Anybody in this country who needs attention should get that attention. We are trying to suggest ways and means by which they can get it quicker, so they can get at the point of service in a way that saves them, that reduces the line ups and the pressures, a complete overhaul of the system itself, the inefficiencies in hospitals, the inefficiencies of visiting doctors and how they go through their check-ups.

If this government really wants to do its job and do it well, why does it not just stop collecting money for health care, impose the rules and regulations by which the services must be delivered in all the provinces, and get back to doing what a government should do? Why does it not get into the area of regulations on behalf of all Canadians coast to coast so that it is standard, portable, accessible, all these things, but leave the collection of the funds and cancel this stupid Department of Health and leave the raising of the moneys for the services to the provinces? This government takes $2 out of every $5 it collects for health care and blows it on a bureaucracy that is ill-prepared to deliver the services in all the regions of Canada.

Let us stop this mismanagement of government programs. The federal government has to get out of certain areas. These guys and gals are too proud to recognize that the federal government is intruding into a lot of people's lives. It is intruding in such a way that its members are imposing their perceived—

Mr. Mills (Broadview—Greenwood): What are you going to do with the weaker provinces?

Mr. Silye: It is obvious that I have the government listening to me, but those members really do not want to listen, they just want to interject. That is all right, I am used to that.

Mrs. Brown (Calgary Southeast): Such a nerve. All they do is babble.

Mr. Silye: I am used to that.

Mr. Mills (Broadview—Greenwood): Say what you believe.

Mr. Nault: Come on. We know you do not believe any of that nonsense. That is Reform rhetoric.

Mr. Silye: I know what sexual harassment is, but I have never really felt verbal harassment.

Mr. White (Fraser Valley West): We will help.

Mr. Silye: I have my troops here now. One for one. You guys go at it and I will just talk to the Speaker.

Seriously, we have a major problem in health care. We have a solution called medicare plus. We have a solution that will allow people to have access to the health care they need at the lowest possible cost and the maximum level of service possible. Unlike this government, which just keeps harping about giving them less and they should do with less, we have something to offer.

If the member for Mississauga South really wants to understand before the next time he gets up and points a finger at the Reform Party and says they want to do this, they want to do that, let me tell him two things.

One, the Reform Party has a plan. He would be well advised to read it, because members in his constituency are going to get a copy of it. He had better be able to answer why it is not good and why it will not work for the people who are sick in his riding and are in line ups and are dying, rather than taking cheap political shots in this House.

Two, let me tell him another thing. The time of putting people down the way he does, as he has done for two years, every time I speak about remuneration, salaries, or any time I talk about health care—

Mr. Szabo: Mr. Speaker, I rise on a point of order. I take exception to the indictment that I am putting people down. I am here to speak on behalf of the Canadian health care system.

The Deputy Speaker: Perhaps the member has a point, but it is certainly not a point of order. It is a point of debate. The hon. member for Calgary Centre will not have that time come out of his time.

Mr. Silye: Mr. Speaker, I am sure you have shared this, because with your background as a lawyer you must have met a lot of people in your lifetime who really like to dish it out. They really like to put the knife into people. They just love it. However, when the opportunity comes for them to have to listen for a while, boy, they have a thin shell. They cannot take it. These people were in opposition for so long that they still have that tender shell around them. When they were on this side they said outlandish things. They made promises. To get elected they even promised to quit if the GST was not replaced. It still has not been replaced.

• (1330)

We are debating the organization of the Department of Health as if we do not have one. Canada does not have a Department of Health, ladies and gentlemen. We have to do something about it. We have to pass a bill fast to create a Department of Health. We have to do it quickly because it will bring in efficiencies, it will be effective and it will deliver services. That is important. Give me a break. We have a Department of Health and Canadians know it.

We have a system which is rupturing. It is breaking apart. What we have to do is find a way to help those people who need help in a way which is quick, effective and efficient. That will not be done by reducing the funds and saying to the provinces: "You guys handle it". The way to do it is to say to the provinces: "We know we have a dilemma. We cannot give you as much money as we have been. We have to give you less. Are there ways you can still deliver the services? We will be flexible". The Prime Minister promised flexible federalism and the only things he is flexible about are his travel arrangements.

We have to let the provinces come up with suggestions and work with them. Will we still have the same health minister if there is a new Department of Health?

Mr. Abbott: I doubt it.

Mr. Silye: My point is the provinces should be listened to and that is not happening. All the Reform Party is trying to do is make recommendations on ways and means by which we can deliver a service which is still effective at a lower cost and which still respects the principles of the health act. That is what the Reform Party is about, not what the hon. member for Mississauga South preaches every time he stands up.

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, I am pleased to speak on Bill C–95. Today I wish to address the leadership role and responsibility which the federal Department of Health has had in shaping the development and the evolution of Canada's health system.

Our national health system, popularly called medicare, is made up of 12 interlocking health care insurance plans administered by the provinces and territories. The provinces and territories are responsible for the administration, organization and delivery of health care services, including human and financial resource allocation, financing and regulating health professionals.

The system is referred to as a national health care system or program in that all provincial and territorial insurance plans are linked through adherence to the national principles of the Canada Health Act, which comes under the authority of the federal Minister of Health.

The federal health legislation sets out the basic principles and conditions for the payment of federal financial contributions to the operation of the provincial plans. This year the federal government will contribute over $15.5 billion to the provinces and territories in support of their health programs and services through established programs financing.

The federal Department of Health is also responsible for the promotion and protection of public health, for example through our public health intelligence and awareness initiatives and drug approval regulation activities, providing health services directly to registered Indians.

Canada has an excellent health system and the federal Department of Health has been a key player in its evolution. It was under the leadership of the former minister of health, the Hon. Paul Martin Sr., that the federal government introduced and passed legislation to implement the first component of our national health system.

The passage of the Hospital Insurance and Diagnostic Act in 1957 encouraged the development of hospital insurance programs in all provinces and territories through the offer to cost share hospital and diagnostic services. This legislation allowed the government to share in the cost of provincial hospital insurance plans that met minimum eligibility and coverage standards. By 1961 after all 10 provinces and 2 territories introduced public hospital insurance plans, Canadians no longer had to worry about facing crippling hospital bills if a member of their family became ill.

• (1335)

The Department of Health followed with respect to medical insurance in the 1960s and with the introduction of public insurance for physician services in 1962. The federal government offered a cost shared program to the provinces and territories in 1966 to encourage the development of a national medicare insurance program.

The federal medicare act was implemented in 1968 and by 1972 all Canadians enjoyed public medical care insurance in addition to hospital insurance. Leadership was shown again by the Department of Health in 1984 when medicare was reaffirmed by Parliament with the passage of the Canada Health Act.

The minister of health of the day, the Hon. Monique Bégin, detected an erosion of the principles that support medicare. Canadians were telling her their access to necessary health care was being impeded by user fees and she took action to restore medicare.

The Canada Health Act with special provisions to discourage provinces from allowing extra billing by doctors and user charges by hospitals was successful in eliminating user fee medicare. The act provided for an automatic dollar for dollar penalty deducted from the transfer payment. For every dollar a province allowed to be charged in the form of extra billing or hospital user charges, one dollar was deducted from that province's transfer payment for health. Within three years all provinces that had allowed extra billing and user charges eliminated them. Canadians across the country were once again enjoying unfettered access to necessary health care services.

The Canada Health Act is a great symbol for Canadians. It symbolizes the values of our society: equity, compassion and caring. It is also more than a symbol. It embodies the principles which underlie the Canadian medicare system and provides the mechanism for preserving medicare.

The first national principle is universality. Every eligible provincial resident must be entitled to coverage by the provincial health insurance plan. Coverage is linked only to residency in the province and not to jobs and not to the payment of premiums.

The second principle is comprehensiveness. The provincial plans must provide coverage for all medically necessary hospital and medical services.

The third is accessibility. Insured services must be reasonably accessible and without financial barriers. This means in part there can be no point of service charges for medically necessary services, no extra billing by doctors and no user charges in hospitals. Patients do not receive medical or hospital bills for insured services. The province pays the bills directly on their behalf.

The fourth principle is portability. This is vital to a national system. It means that when Canadians travel or move they continue to be covered by provincial plans.

The final principle is public administration. The health insurance plan must be operated on a non–profit basis and must be accountable to the provincial government.

It is adherence to these national principles that gives the provincial systems a set of common features. This commonality is what makes our health care system a national system. The Department of Health monitors provincial and territorial compliance with the principles of the Canada Health Act and informs the Minister of Health of any problems. Where there is non–compliance the act provides the minister with the authority to direct deductions from transfer payments. These deductions are the mechanism by which the Minister of Health enforces the Canada Health Act and protects medicare.

The government is committed to a national health insurance system, to medicare. That is why the Minister of Health has taken action against semi–private clinics that charge user fees in the form of facility fees. Barriers to access must be discouraged.

• (1340)

The government has also shown its commitment to medicare by making sure the new Canada health and social transfer supports medicare. In order to qualify for full cash contributions under the CHST, provinces and territories must comply with the Canada Health Act.

The Department of Health has played a key role in the development, protection and preservation of medicare. Bill C–95 will ensure the Department of Health continues this valuable role.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, as luck would have it, this morning I read in the Saguenay—Lac–Saint–Jean daily that, last evening, the health action committee of the chamber of commerce of La Baie and the Lower Saguenay asked elected officials to oppose any cut affecting the health sector in my region, so as to preserve what took so long to obtain.

Incidentally, a document clearly shows, and this has been confirmed, that cuts of over $131 million have already been made in my region, concerning that sector. Most of these cuts were, of course, made because of overlapping federal and provincial activities in that sector. It goes without saying that, when the federal government makes cuts affecting transfer payments for the health sector, there is an impact in Quebec.

In this bill, the federal government, claiming to be a good government, gives itself the right to act directly or indirectly in the health sector. It could use its spending power to that end. Indeed, a quick look at a few clauses of the bill will tell you that the federal government wants to get involved in that sector.

Contrary to what one might think, the health department has an enormous budget. According to the 1995–96 Estimates, Health Canada's operating budget is $1.05 billion, that is $347 million for personnel alone and $703 million for goods and services, whereas transfer payments amount to $7.4 billion. These figures immediately tell the story about the costs of overlapping activities.

We must ask ourselves what the federal government does with that $1.05 billion. Under the pretext of developing a strategy, the federal government, to put it bluntly, is once again interfering in a field of provincial jurisdiction.

Let me give you a few examples, starting with the new horizons program. This program used to help our seniors in several ways, for example by allowing them to buy entertainment and recreation equipment and participate in group activities. This program was, at least in my riding, well received by golden age clubs and by associations for the defence of retirees' rights. It gave some clubs and associations the tools to help our seniors, for whom these organizations are often the only resource available. In addition, these tools and activities helped participants stay in good physical and mental health.

• (1345)

After over a year of consultations, of shelving the various demands with respect to the new horizons program, our seniors are being offered a totally new program that is focused on health. The federal government is cutting a service in an area of pressing need and jumping head–first into another area where Quebec was present, where Quebec was already well equipped to deal with the situation. This can only be described as a case of wasteful overlap.

New horizons is but one example among many others. I could also mention programs such as the federal initiative on family violence, the national strategy to reduce tobacco use, and the pregnancy and child development program, which are still in effect in Quebec. Why multiply services? All these contributions show that the federal government has no qualms about going ahead with its own health and welfare initiatives.

They go ahead with these initiatives without considering the fact that, in the past few years, Quebec has focused on areas such as prevention and fitness. Quebec has also shown leadership in occupational health and safety matters.

The federal government is only interested in visibility and is ready to pay the price. One of its latest initiatives is the national forum on health. Again, to achieve visibility, it showed its will to intervene in this area without the consent of provincial authorities. All provinces without exception openly criticized the federal government's attitude in this regard, since it relegated them to a position of secondary importance in matters of health.

Quebec recently spent several months reviewing the measures required to make its system more effective and less costly while keeping medically necessary services free for everyone.

Quebec did not wait for Ottawa to renew its health care system. It took concrete action in this regard. For several months, wide public consultations have been held throughout Quebec so that Quebecers can give their opinions and express their needs. I had the opportunity to attend these proceedings in my riding last weekend. Again, this is a consultation process; this is how we must proceed, instead of creating parallel structures that are a shameful waste of public funds.

Through Bill C–95, the federal government is quietly trying to convince us that this harmless looking bill is the bill of the century. Quebecers, however, are not fooled; we clearly see what the federal government is trying to hide from us.

I fully agree with my colleague from Drummond that this House should refuse to proceed with Bill C–95 and send the government back to the drawing board.

• (1350)

The time has come for Ottawa to withdraw completely from this area and give Quebec the tax points corresponding to its current transfer payments in all fairness.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to speak today on Bill C–95, under which the new Department of Health will be established.

I listened carefully to the member for Calgary Centre. It was very clear he had not read the bill. He did not know what he was talking about. He was looking at the old bill instead of the new one. This is why a new bill was brought in, to save taxpayers' money and to have a health system to which all Canadians have access.

The Reform Party boasts about its great plan. The United States has that great plan, the two tier system that Reform advocates. What is happening in the United States system right now? According to figures released yesterday, 40 million Americans are not covered by any kind of health insurance and 29 million are underinsured. Sixty–nine million people do not have proper health care coverage. That is what Reform Party members want to give Canadians. Canadians do not want that system. They can shove it and they know where. Enough is enough.

Reform members want to give everything to the provinces so they can throw more money at it. We do not think throwing more money at the problem is the answer. It is using the money we have more efficiently for the modern technology that has come into our hospitals and our clinics.

When I lived in Saskatchewan I had an operation. Because of complications I was a whole month in hospital. Now an appendix can be removed and the patient is sent home. How many people have triple bypasses? Before they were told to lie in bed and not to move for weeks on end. Now they get them up walking the next day and they soon send them home. Look at the savings. If we send a patient home, we have to send proper care to the

home with them. However it is a heck of a lot cheaper than having the patient lie in a hospital bed for weeks on end.

Canada spends 9.4 per cent of its GDP on health care, far less than the U.S., yet every Canadian is covered well by health care. Japan spends only 6 per cent of GDP on health care. How can that country do it so cheaply? I think it is good management. It is done efficiently but Japan also harnesses the modern technology that has crept into the health system.

We do not need any lessons from the Reform Party. Polls show that Canadians are very pleased with our health system. The polls also show that the Reform Party is going down and this is why it is going down.

Yesterday I intervened on the bill briefly when the Bloc Quebecois complained that the federal government has no jurisdiction in the area of health care. I hope to assure the Bloc Quebecois that the government fully appreciates that provinces are responsible for all aspects of health care delivery, generally defined as hospital and medical services. However, the opinion poll indicates that Canadians recognize there remains a need for a federal presence in health, just as we have a federal presence in other jurisdictions. If changes are made to the Criminal Code, the provinces then implement the legislation and the laws that we change.

This morning the foreign affairs standing committee met and the CCC was before us. That is the Canadian corporation which does trade with countries. These countries want a federal government presence in a deal, otherwise we would not get a deal for a lot of these things. So let us not throw the federal government out completely.

I was very interested in the media conference the former Prime Minister of Canada, Pierre Elliott Trudeau had yesterday. He cautioned not to decentralize all of the powers because that is when this country will fall apart. He advocated a strong central government. Here is someone from Quebec who is giving us advice that we should heed.

• (1355)

Public opinion, the media, the members of this House have one thing in common: They have a legitimate concern about the future health system and the need for continued access to high quality services. By defending the Canada Health Act from attack by those who advocate user fees and private clinics, as the Reform does, the Department of Health protects this country's publicly funded universal medicare system.

Health care is only one of many factors contributing to health. There are also those factors that make and keep people healthy, known as the determinants of health. These include the social and physical environment, human biology, genetic endowment, economic status and individual behaviour.

In a recent discussion paper entitled "Strategies for Population Health: Investing in the Health of Canadians" federal, provincial and territorial health ministers provided a framework for action on the major determinants of health. It offers a solid basis for setting priorities to continue to improve the health of Canadians.

The paper recommends three strategic directions. First, it recommends strengthening public and government understanding of the determinants of health by demonstrating the links between social status, economic development, income distribution, education and health. Second, it recommends building understanding and support among government partners in sectors outside of health. Third, it suggests priority initiatives which will have a significant impact on population health.

I urge all members to put their party politics aside. When we have something good, something Canadian, something that will keep this country together, something that will provide health care service to every Canadian, rich or poor, regardless of where he or she lives, let us all get behind it and pass it today.

The Speaker: Colleagues, it being 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

THE ENVIRONMENT

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, last December the government amended the Canadian Environmental Assessment Act and recognized the value of participant funding in the environmental assessment process. MPs from all sides of the House supported this effort to give the public greater access to government decision making.

Higher levels of public access and consultation allow the environmental assessment process to be more representative of the Canadian people. As the Minister of the Environment said during debate on the Canadian Environmental Assessment Act, it is one thing to say that people have a say, it is another to give them the tools to exercise their right.

I agree wholeheartedly with the minister and believe that my Bill C–339 will extend this level of access and participation in the decision making process without increasing government expenditures.

I would ask all members of the House to support Bill C–339 when it comes to the House for a vote in the near future.

S. O. 31

THE CANADA COUNCIL

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, David Craven, New York, New York, $39,500; Jennifer Weeks, Cleveland, Ohio, $18,000; Nathan Berg, London, England, $18,000. No, these are not winners from the Publisher's Clearing House sweepstakes. These are the lucky recipients of tax dollars wrenched from the pockets of hard working Canadians and distributed through the Canada Council.

That is right. You do not even have to live in Canada to receive a grant from the Canada Council. No, sir, if you do not like the winners here, no problem. You too can receive $18,000 to live in sunny Los Angeles, California, just like John Friesen, or $18,000 to live in gay Paree just like Shonagh Adelman.

If you want to write a book, ponder poetry or paint pictures, come on down because the price is right in the Canada Council $87 million grant giveaway. Remember, you cannot win if you do not enter.

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GURU NANAK DEV JI

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, today is the 526th birthday of Guru Nanak Dev Ji, the first Guru of the Sikh religion.

Guru Nanak evolved a completely new faith. He presented to the people his vision of an ideal faith of spiritual deliverance, human equality and justice.

The basic ethical beliefs that Sikhism holds dearly are democracy, non–violence, peace, religious identity, family life, hard work, advancement and human rights. Sikhism teaches truthful living with emphasis on selfless service, tolerance, compassion, love, contentment, humility, equality, humbleness and well–being for all.

The goal of a Sikh is not only a spiritual uplift of the individual through selfless service but the advancement of all humanity.

* * *

MISSING CHILDREN

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, the city of Niagara Falls has proclaimed November 6 as a day celebrating the recovery of missing children.

In a ceremony on the Rainbow Bridge I accepted a plaque on behalf of the Minister of National Revenue and his staff at Canada Customs by the Independent Order of Foresters child print program. The non–profit organization accounts for over one million members in Canada, the United States and the United Kingdom. Its involvement comprises a great number of projects geared to help families.

I congratulate publicly the IOF and the revenue department for their devotion to the protection of children. As parents, as community leaders and as concerned citizens, we understand that nothing causes more pain and anguish than a missing child.

The minister of revenue has committed his department to the cause, but when it comes to missing children, one is too many.

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THE LATE YITZHAK RABIN

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, on behalf of my leader, the member for Sherbrooke, and Progressive Conservative Party colleagues I wish to pay tribute to Yitzhak Rabin, the late Prime Minister of Israel.

Mr. Rabin's life mirrored the history of his country. He fought for its creation, its survival and its peace. It has been said that only soldiers can make peace for they know all too well the price of war.

Mr. Rabin recognized the only guarantee of Israel's survival was to make peace with those who had once vowed to destroy it. For the next generation of Israelis and all generations after them he wanted to ensure a future free of bloodshed. He made peace with the enemies of Israel, he said to save lives. Now that he has given his life for that worthiest of causes, let us honour him by embracing and supporting his courageous work.

My colleagues and I extend our condolences to Mr. Rabin's family and the people of Israel. The world has lost a great leader and one of its noblest spirits.

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THE LATE YITZHAK RABIN

Mr. Maurizio Bevilacqua (York North, Lib.): Mr. Speaker, last night I attended a memorial service in Toronto to honour the life of Israeli Prime Minister Yitzhak Rabin. It was an emotional evening. Over 6,000 members of our community joined together to recognize the gifts Mr. Rabin had bestowed upon the people of Israel and upon all of us through his endless pursuit of peace.

Mr. Rabin dedicated his life to his country. As a soldier he fought for Israel's survival. As a prime minister he fought for peace.

Saturday, November 3, perhaps marked the pinnacle of Mr. Rabin's quest when he spoke and sang of peace in front of more than 100,000 people in Tel Aviv. How tragic for this to be the end. How tragic for him not to be able to see the results of his life's work. How tragic for the murderer to have been in the crowd, to have heard Rabin's words of peace and not to have heeded them.

As members of the global community we must all join together to ensure that Mr. Rabin's dream of lasting peace will never die.

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CANADIAN ARMED FORCES

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as we approach another Remembrance Day when all Canadians celebrate the courageous sacrifice of our war veterans, we should be focusing on the way that our troops from coast to coast fought for democracy and freedom in a united Canada.

• (1405)

Unfortunately on October 26 the Bloc member for Charlesbourg issued a press release calling for Quebec members of the military to desert their posts and join a new Quebec army the day after a yes vote. This has infuriated many veterans as well as other Canadians, including many constituents in my riding of Red Deer.

The action is so reprehensible that the government must take immediate corrective action. Inciting mutiny in the Canadian forces cannot be tolerated and the government's response to this outrage should make it perfectly clear.

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[*Translation*]

NATIONAL CITIZENS COALITION

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, just ten days after our Canadian neighbours rallied in Montreal on the eve of the Quebec referendum, the true face of English Canada is already emerging. The National Citizens Coalition is launching an ad campaign to express its deep–seated opposition to the concept of distinct society status for Quebec.

After the provincial premiers backed off last week, the NCC's 40,000 members are now clearly opposed to what they consider as unfair preferential treatment for Quebec. This is a bitter disappointment for Quebecers, who were deeply touched by English Canada's show of affection at Canada Place, three days before the referendum. Where have all our friends gone?

* * *

[*English*]

MERCHANT NAVY

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, veterans of the merchant navy who served during wartime provided a vital function in situations where the death rate was as high or higher than in the armed services and where like other veterans they were captured and imprisoned as prisoners of war. Yet for many decades they were treated as second class veterans deprived of many benefits.

Even with the belated passage of the Merchant Navy Veterans Act in 1992, merchant navy veterans were not granted fully equal status with other veterans. The act contains definitions of service in the merchant navy that are more restrictive than for veterans in the other services and therefore denies benefits to some veterans who are clearly entitled to them.

As we approach November 11, the NDP calls on the government to treat veterans of the merchant navy in exactly the same way as it treats other veterans by including them in the War Veterans Allowances Act.

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[*Translation*]

YITZHAK RABIN

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, Israeli Prime Minister Yitzhak Rabin was cut down by an assassin's bullets minutes after making a speech at a huge peace rally. Mr. Rabin's assassination is first and foremost an attempt to derail the peace process in the Middle East. His murderer thought that, by killing the messenger, he would quash all the efforts made in the past several years to find a peaceful solution to the problems in this troubled area.

However, the demise of this great man will not succeed in crushing the hope for peace that inspires the people of Israel. There is no doubt that peace will come to the Middle East, and no crime, however repugnant, will prevent this. At this time of great sorrow, Israelis can count on the support and sympathy of Canadians. We, too, are resolutely committed to peace.

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VETERANS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the Prime Minister has declared the week of November 4 to 12 national veteran's week. As you know, traditionally, since the end of the first world war, Canadians from all over the country gather at their local war memorial on the morning of November 11 to pay tribute, in various ceremonies, to their fellow Canadians who died in combat.

This year, as we celebrate the 50th anniversary of the end of the second world war, Canadians have planned special commemorative activities for the entire week leading up to Remembrance Day. We will be paying tribute to the veterans of both world wars, the Korean War and UN peacekeeping operations. These veterans served their country with courage and distinction. We are proud of them and pleased that the government designated a week in their honour.

S. O. 31

• (1410)

JOB CREATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, after two years in office, the Liberal government, for all intents and purposes, still has not done anything about unemployment. A series of nice documents on employment and growth were released, but Canadians are still waiting for the concrete actions and results expected from a government.

Unable to make the necessary budget decisions, the Liberal government's only job creation initiative was to force the unemployed to join the welfare rolls, thus triggering an increase in provincial deficits.

We all know the consequences of that lack of vision. Hardly any new jobs were created in the past year, and economic growth has suddenly come to a halt this year, with no reaction from the Bank of Canada and the Minister of Finance.

This government must fulfil the promises it made to Canadians two years ago. Its laissez faire attitude can definitely not be considered an effective job creation policy.

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[*English*]

VETERANS WEEK

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise today to make mention of the fact that the Prime Minister has declared a special period of commemoration which will run from November 4 to 12 to be known throughout Canada as Veterans Week.

Veterans Week will increase awareness among Canadians of the contribution of those who served during wartime and in peacekeeping activities throughout the world.

One of the activities designated for Veterans Week was the national spirit of peace run that took place in St. John's, Newfoundland on November 5. The run was arranged to create a link between the 50th anniversary of the end of the second world war and that of the founding of the United Nations. It took place in designated cities across the country and represented a nationwide gesture of commemoration and support of Canada's ongoing peace efforts.

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YOUNG OFFENDERS ACT

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, 19-year old Allen Wayne from Langley, British Columbia in my riding was seriously injured on August 26 by a stolen vehicle driven by a repeat young offender.

The young offender faced eight charges. Five of the serious ones were plea bargained out, including breach of probation, possession of stolen property and criminal negligence causing bodily harm.

Allen's parents, Allen and Debbie Wayne, did not even know plea bargaining happened. Further, Allen's parents asked crown counsel to raise the case to adult court but that was not done. So much for the Young Offenders Act.

Today Allen is fighting for his life with two broken legs, a broken left hip, a broken pelvis, a broken arm and his face crushed to pieces.

What of the poor young offender? He got 15 months in open custody, a three-year driving prohibition and one day concurrent for driving while prohibited.

The Young Offenders Act is an embarrassment and the government is a disgrace to Canadian victims.

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[*Translation*]

CANADIAN ARMED FORCES

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, Canadians are is still in shock following new revelations concerning the despicable actions of Petawawa's airborne regiment. The parties organized by Canadian army soldiers in honour of the Polytechnique tragedy are absolutely shameful. One wonders about the army's ability to recruit people who are trustworthy and who can protect the values of our society.

These accounts revive the terrible pain and grief suffered by the families and friends of the victims of the Polytechnique massacre. The parents of Geneviève Bergeron, one of the 14 victims who died on December 6, 1989, wrote me a letter in which they say they are still mourning the loss of their daughter. On their behalf, I urge the government to make sure that those who organized such parties for the Petawawa regiment, and those who participated in them, be court martialled and discharged from the armed forces.

We must take action to put an end to the violence against women, and all those responsible for these incidents must be held accountable for their actions.

* * *

NATIONAL UNITY

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, the day after the referendum, 23 spokespersons for the federalist side in the region around Saint-Hyacinthe had a meeting to analyse their contribution to the campaign and decide what their future action should be.

They decided unanimously that it was advisable to continue their action within a group without any political affiliation and that they would concentrate for the time being on two main objectives.

This group wants to foster the message for change that was apparent from the results of the referendum; it also wants to promote the national pride of Canadians, as its members did throughout the referendum campaign.

Tomorrow, they expect to introduce their group at the national level to create a snowball effect across Quebec, and perhaps across Canada. There is a very clear demand for profound and rapid change today in this country.

To Jacques Sylvestre from Saint–Hyacinthe, André Gauthier from Sept–Îles, Yves Mailhot from Saint–Lambert, to my friends in the Bloc who believe in sweeping changes and in the Canada of the future, I say: "Do not give up, things are starting to move".

* * *

• (1415)

CANADIAN FEDERATION

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, all Quebecers who voted no and more than 35 per cent who voted yes in the last referendum are looking for change within the Canadian federation.

The people have decided. Canadians from coast to coast have massively demonstrated their affection and their support for Quebec's aspirations. It is now up to the politicians to deliver the goods and work on implementing these changes. However, when Quebecers hear what the Bloc leader said about these changes, and I quote: "Sterile debate, nonsense, misleading verbal overkill—", they are not amused.

In Quebec, the people are sovereign, and they have spoken. If the leader of the Bloc Quebecois cannot accept the people's verdict and refuses to help improve Canada, he should have the decency to resign.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Quebecers are beginning to get used to playing cat and mouse with the federal government. I will explain. Initially, the Prime Minister told everyone very clearly that there was no question of discussing the constitution, even during the Quebec referendum. Then he changed his mind and talked of possible administrative changes in order to decentralize Canadian confederation. Then he spoke of legislative changes for doing so, and, most recently, he has said nothing more about it at all.

The government is not responding any more. We did, however, learn today at about 12.30 p.m. that a ministerial committee on national unity had been set up with a mandate to consider possible changes to confederation.

My question is for the Minister of Intergovernmental Affairs or for the Deputy Prime Minister, whoever wants to respond. What is the mandate of this committee, exactly? Is it preparing to propose constitutional changes or just administrative ones, or both?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the committee in question is a group of ministers in the federal cabinet, who are going to look at all options for change—both administratively and constitutionally.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, will the Minister of Intergovernmental Affairs be heading the new committee that follows in a long series of committees, including the Charest, Beaudoin, Dobbie, Castonguay, Edwards and other committees? Can the minister tell us whether this is not a simply a strategy on the part of the government to play for time, because it is unable to reach a consensus with its other partners in Canada? Is this not simply a snow job?

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, when we set up the program review committee last year, the opposition thought it was not going to produce results either. The result was the best budget in 50 years, which changed the structure of the federal budget and enabled us to recover our fiscal responsibility.

Why should we not hope for as much from a committee that is vital to the survival of the federation?

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, given the government's unenviable record in constitutional matters, the many changes in its position toward Quebecers in the past month and a half and its inability to reach a consensus with its partners in order to meet Quebec's demands, should the Minister of Intergovernmental Affairs, rather than bust his suspenders over some vague committee that has yet to produce any results, not reassure people and explain the exact mandate and the reporting procedures of the committee?

• (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the member for Roberval is clearly not weighing his words. How could a committee only mentioned today have produced results?

So, it is clear. In the past two years, we have succeeded in creating nearly 500,000 new jobs. This is what Canadians wanted, and we have maintained industrial harmony, while improving our budget. These are perfectly respectable results. I would have preferred the official opposition to have done a much better job of defending the rights of Quebecers—something we have done.

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JOB CREATION

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, recently, very recently, we heard about the real problem that all Canadians are facing and that—we can say it—more than 49 per cent of Quebecers have identified as one of their major problems and one that they wanted to resolve through sovereignty. I am talking about employment. According to the Canadian Labour Congress, the government has abandoned the job creation strategy that got it elected, in favour of right wing policies that will contribute to making the middle class grow poorer and poorer and create disparities across Canada.

Will the government recognize that, apart from its infrastructure program, whose benefits are now coming to an end, no concrete steps have been taken for more than two years with regard to job creation?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I respectfully submit to the hon. member that she should look at the facts. That may be an unusual experience for her but it would be very helpful under the circumstances.

The reality is that last week a Statistics Canada report indicated that since the election of the government in the fall of 1993 over half a billion full time permanent jobs have been created.

That is not something to be ignored. It shows there is a growing strength in the economy. In Quebec a substantial reduction by almost 2 percentage points in the unemployment rate has taken place.

Rather than relying on the somewhat dubious claims of the Canadian Labour Congress, the member should look at the hard reality of facts as presented by Statistics Canada.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the truth of the matter is that the minister does not take into account population growth when he boasts about such things. The Quebec government, on the other hand, has every reason to be proud of its performance because, despite this government's failure to act, it has managed, through Minister Paillé's plan, to promote job creation.

How can this government boast about its performance, when we have 20,000 more people on welfare in Quebec this year, when the unemployment rate is 11.2 per cent, and when the number of people who are out of work exceeds 400,000? How can this government be proud of its performance, when it has nothing to offer and when everyone can see—as more than 49 per cent of Quebecers did on October 30—that deep changes are urgently needed?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, surely the hon. member recognizes that one of the major difficulties with helping to create jobs has been the uncertainty that has come about as a result of efforts to separate Canada. It is very difficult to attract investments, to provide for new job development when employers are not sure what the economic circumstances will be.

In spite of the real problems created by that uncertainty which the hon. member and her colleagues have caused over the past year, in the past three months 33,000 new jobs have been created in the province of Quebec.

In the hon. member's riding alone the unemployment rate has dropped from 12.8 per cent when we came into office to 8.6 per cent. The hon. member should take pride in this.

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• (1425)

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, there are competing visions in the country of where Canada should be headed after the Quebec referendum.

One side represented by the government wants to go back to elements of the failed Meech Lake and Charlottetown accords. The other side represented by Reform and some provincial governments wants to move forward to decentralize certain key social functions of the federal government while strengthening the economic union at the same time.

Now a special committee of cabinet has been set up to design a post–referendum strategy. My question for the Minister of Intergovernmental Affairs is: What is the national unity committee of cabinet doing to ensure this alternative federalist vision is being considered, and what minister in the cabinet represents that position?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, on the second question, the solidarity of cabinet prevents me from answering. The leader of the third party should know that.

On the first question, we have been able to put together a package of measures that so far has united the country because we have tried to create jobs, we have tried to increase economic growth and we have tried to increase investment.

In terms of decentralization, we must recognize that decentralization is not a panacea to all the ills of the federation. Decentralization is justified only when it means that services are given by the levels of government best equipped to give them.

In terms of decentralization we want to serve Canadians, and Canadians once again are not served by applying an ideology of decentralization. They are served by levels of government that decide on the powers that each level should exercise according to how efficiently it can deliver services to Canadians.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, despite the polls and the lessons of Meech and Charlottetown the government is still favouring a distinct society clause and constitutional veto for Quebec. Both of these concepts are the products of a top down, legalistic approach to national unity which has not worked for 30 years.

Recognizing distinctiveness in Canada is not the problem; it is how to do it. The alternative bottom up approach would be to give each province the practical tools to protect and nurture its own distinctiveness, and real control over resources, social services, language and culture.

Is the national unity committee of cabinet giving serious consideration to this alternative approach to achieve provincial distinctiveness? If so, who is the spokesperson on that committee for that alternative approach?

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 ministers in cabinet, including those on the cabinet committee, want Canada to continue as the country with the best quality of life in the world. Therefore none of them will be the advocate of one side or another. All together we will try to create a consensus on the package of measures that will solve the present constitutional problems.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the biggest mistake the federal politicians made with respect to Charlottetown and Meech was that they tried to draft unity proposals themselves behind closed doors, by ministerial committees and by ministerial conferences. The Canadian people were shut out of the building process.

If we have learned anything from this referendum campaign it is that the federal government does not have a monopoly on brains or on patriotism. The Canadian people saved the referendum campaign and their voices should be heard in this post–referendum strategy.

Instead of following the traditional closed door approach to developing unity proposals, what is the government doing to bring the Canadian people into the development of its post–referendum strategy?

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, as I said, that group of ministers will get together and look at all the ways, all the possibilities for change in the federation.

• (1430)

I am not going to pre–judge the results by indicating what they could be before we start working.

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[*Translation*]

INTEREST RATES

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, yesterday, the Governor of the Bank of Canada candidly said that the lack of economic growth during the first six months of 1995 was largely due to the fact that interest rates rose too sharply last winter, a situation created by the governor himself.

My question is for the Minister of Finance.

Some hon. members: Oh, oh.

Mr. Loubier: Mr. Speaker, could you please ask hon. members to keep quiet?

The Speaker: Put your question, please.

Mr. Loubier: Will the Minister of Finance recognize that the Bank of Canada misjudged the situation of the Canadian economy and should have started lowering interest rates much sooner than it did, so as to help create, not eliminate, jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the Governor of the Bank of Canada said there were several reasons explaining high real interest rates, and he mentioned two of them. One is the need to put our fiscal house in order. In that regard, he said that the federal government and the provinces, except for one, had already started that process.

Second, the governor clearly mentioned the political uncertainty for which the BQ and the PQ are responsible.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, the minister was careful not to mention that the governor gave, as the primary and most important factor, the situation of the Canadian debt, which is the responsibility of the finance minister.

Earlier, I listened to the minister when he was discussing what he had accomplished so far. Do you know what the Liberals have accomplished in the last two years? They have managed to maintain the number of unemployed and to increase the number of welfare recipients. This is what they have actually managed to do.

Considering that, throughout the referendum campaign, the Minister of Finance kept repeating that he had a real influence on Canadian monetary policy, are we to understand that he wilfully let interest rates go up, so as to eliminate thousands of jobs for Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I think that Quebecers made a decision that will result in lower interest rates. Indeed, the day after the referendum, interest rates fell by 147 basis points, which is almost a record.

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[*English*]

SOCIAL PROGRAMS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the Reform Party has a new Canadian agenda for change which would give more powers to the provinces for social programs. Incredibly, the Minister of Human Resources Development has threatened to cut transfer payments to British Columbia for its changes to welfare.

After having already cut transfer payments, why is the minister breaking the Liberal promise for change given at Verdun by the Prime Minister by threatening British Columbia?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is not so incredible that a minister of the crown upholds the laws of Canada. The laws of Canada under the Canada assistance plan state very clearly that individual provinces should not cut transfer payments for those from out of province. That protects a basic right enshrined in the Constitution, the right of mobility. All Canadians should be treated equally. Even though they may be poor Canadians, they should still get equal treatment.

I would like to clarify one important point for the hon. member. I have not been threatening British Columbia. I have said very clearly that there are many opportunities for us to try to resolve these problems. Some very serious conditions should be addressed. The provinces have set up a forum called the Council of Social Ministers. They are supposed to be meeting to arrive at a common approach to these issues.

It would be unfortunate for one province to take unilateral action when all the provinces have tried to come together to find a co–operative approach. I am quite prepared to meet with them and deal with it.

It would be much more important for the hon. member to be directing her concerns to the ministers of the B.C. government who seem to be thwarting or short circuiting a very effective and co–operative federal–provincial process.

• (1435)

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the welfare reforms in B.C. are not illegal. In fact, if the minister was familiar with the charter he would know that section 6(4) clearly demonstrates that B.C.'s changes are legal.

Canadians are demanding fundamental change to government. The provinces are demanding more freedom. The minister is jeopardizing national unity by threatening the provinces, especially when his legal facts are wrong.

The minister is meddling in provincial jurisdiction where he has no legal right. Why will the minister not admit that his empty grandstanding is nothing more than another federal government power grab?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, this is a time in the history of the country when all regions should be building bridges, not walls and barriers.

The hon. member, as a federal member of Parliament, is endorsing actions which are clearly contrary to the law under the Canada assistance plan. All of a sudden the hon. member seems to have acquired great powers of legal judgment.

I would simply refer the hon. member to the Finlay case in the federal court, which clearly substantiates the responsibility of the federal government to uphold the basic conditions under the Canada assistance plan. I would recommend that before the hon. member starts to lecture people on the law that she should first read the law.

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[*Translation*]

CANADIAN ARMED FORCES

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Last week, we learned that, in addition to the racist and degrading behaviour of members of the former airborne regiment in Petawawa, some of them even organized, on two occasions, parties to celebrate the anniversary of the tragedy which occurred at Montreal's École polytechnique, in which 14 innocent victims lost their lives.

Given the behaviour of these soldiers, will the Minister of National Defence admit that, at this point in time, the least he can do is to immediately suspend the promotions granted to those involved?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, first I would like to welcome the hon. member, as she has obviously been appointed as the new defence critic. That is quite appropriate, given the inflammatory remarks of the hon. member for Charlesbourg in a press release two days before the referendum.

With respect to the question, it was posed yesterday and it was answered yesterday.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, it is absolutely appalling to make light of such an important issue.

I would like to know why the government disbanded Petawawa's airborne regiment before the inquiry had even begun, but must now wait until the end of the inquiry before suspending the promotions granted to some who were directly involved in such despicable acts?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, these matters were dealt with earlier this year with the disbanding of the airborne regiment and some comments which I made in the House some weeks ago about various promotions.

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INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the Minister of Industry has been aware of the abuse of his department's aboriginal business development programs and specifically the role played by Mr. Henry Wetelainen, president of the Ontario Metis and Aboriginal Association, based in Sault Ste. Marie.

This individual has misappropriated millions of dollars of taxpayers' money, most of it on companies which are now bankrupt or inactive.

In June the minister promised to investigate and act. Why has he failed to clear up this misappropriation of funds?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member makes very serious allegations of a criminal nature. He knows that these matters, if they are true, will be dealt with by the appropriate law enforcement agencies.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, I would like a commitment from the minister that he has indeed launched an investigation.

The Ontario Metis and Aboriginal Association has been a haven for patronage, cronyism and grossly irresponsible spending. The real losers in this scenario are the aboriginal people who have lost access to capital for improving their quality of life.

• (1440)

Can the aboriginal people of Canada expect anything more than platitudes from the red book when it comes to righting wrongs of the type perpetrated on them by the Henry Wetelainens of this country?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I think the answer to the first question stands.

I would say this to the hon. member. I do not think we need lessons from the Reform Party on how to help the aboriginal people establish themselves in ways that are going to promote their self–sufficiency and their entry into the real markets of the world.

That is what the aboriginal business program has been doing. We have been providing opportunity to entrepreneurs in aboriginal communities to build businesses that are enabling them to be part of the real economy.

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[*Translation*]

CANADIAN ARMED FORCES

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Despite the totally unacceptable behaviour of a number of soldiers and officers of the former airborne regiment from Petawawa, the Minister of National Defence is still refusing to review or suspend the promotions given those involved in this matter.

Is it not shameful that the Minister of National Defence allows the Canadian army to promote individuals involved in the events at Petawawa, that the army even decorated the commander of the former regiment and that the minister himself is today refusing to suspend the promotions?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I appreciate the hon. member's comment, because the sovereignists' opinion on racism is well known.

Some hon. members: Oh, oh.

Mr. Collenette: Mr. Speaker, I have already answered this question.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, how dare the minister respond in this way? I asked him a question through you and I think I am entitled to an answer.

Here is my supplementary. Is the minister not behaving totally unacceptably by refusing to suspend the promotions of the soldiers involved in the events in Petawawa? How would he react if the Solicitor General suddenly decided to promote those responsible for security at 24 Sussex?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member says that he is entitled to an answer.

I would say so are the thousands of Quebecers who were maligned by the sovereignists on the night of the referendum because of their ethnic origin and their participation in the vote entitled to an answer.

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INFRASTRUCTURE PROGRAM

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is for the minister responsible for the national infrastructure program.

In Mississauga South we have benefited from the Canada–Ontario infrastructure program. As a number of infrastructure projects are nearing completion, Peel region municipalities want to know if further funds are available for additional work?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I have good news for the House.

In the less than two years since we launched this program we have already allocated 95 per cent of the original $6 billion that the three levels of government put into this program. These over 11,000 projects have put more than 100,000 Canadians back to work. In the member's constituency, some 22 projects have put some 1,000 people back to work.

To answer specifically the question of the member, we are currently evaluating the program to determine where we go from here. This program has been very successful. It has been successful also in bringing three levels of government together which proves that governments can work in partnership quite successfully.

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INDIAN AFFAIRS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, my question is for the Minister of Industry. He just finished speaking about the episode with the OMAA and said if these matters are true they will be investigated.

• (1445)

The House should know that the minister made a commitment on June 22 in public on Goldhawk that he was going to be investigating this issue. Has he investigated the issue, and what are the present results?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, as I explained earlier, if there is evidence of the allegations that were made by the member posing the question previously, the action will be taken by the appropriate law enforcement officers. I am not going to comment on the status of investigations bearing on criminal matters.

With respect to the program itself, the hon. member will know that the incident arose under the aboriginal capital corporations part of the aboriginal business program, an area which has not received additional funding since the 1994 budget.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the minister may know that Mr. Wetelainen's father received $100,000 as part of this program. It is alleged that it came back to Mr. Wetelainen. This is a very serious matter.

I ask the minister one more time: Is he going to make a commitment today or can he inform the House that in fact there has been a criminal investigation of this matter commenced? If not, why not?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member describes this as a serious matter and he is right. He should treat it as such and let the police do their work.

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[*Translation*]

THE CRTC

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Industry. After reviewing its decision at the government's request, last week, the CRTC approved again a $2 per month increase in local phone rates. This increase will come into effect on January 1, 1996, and will be followed by another $2 per month increase on January 1, 1997. A third increase is scheduled for sometime in 1998.

Could the minister tell us if he endorses the CRTC's latest decision, after having rejected its September 1994 decision?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, it would be premature to give a substantive response to the hon. member's question. She will know that there is a period for petitions to be received by the governor in council in response to the CRTC decision. Those may be made by any interested citizen, including the hon. member, if she has specific views on what should be the response to the decision of the CRTC.

We will take all these petitions into consideration before cabinet makes any determination, if one in fact is called for by petition.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, what I would like the minister to tell us if he personally justify an increase of up to 50 per cent in some cases. Can he tell us if he really intends to intercede with the CRTC as he did in September 1994?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, my personal opinion is not of importance in this matter. What will be important is that we will review the decision of the CRTC that was taken after the receipt of considerable evidence, as well as argument made by counsel. We will consider any petitions that may be received by the governor in council in response to the CRTC's decision. With that information before us, we will endeavour to make a decision that is in the best interests of the people of Canada.

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FOREIGN AFFAIRS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

There appears to be yet another scandal growing in his department, namely, foreign service officers who believe that their shipping privileges entitle them to practise fraud and tax evasion. Over at Canada Customs it is well known that returning foreign service personnel often attempt to smuggle wine and spirits into Canada, not only tax free but with shipping costs paid for by the Canadian taxpayer.

• (1450)

Is the minister aware of this practice? If so, what does he propose to do about it?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to suggest to the hon. member that if he has evidence in this regard and if he is serious with his allegation, he should go outside, make that accusation, stand for it, explain it, and give all the details.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I would suggest the hon. minister request a briefing from his colleague, the Minister of National Revenue.

Foreign service officers have been nailed for declaring 200 to 300 bottles of wine when customs officers have found from 600 to 800 bottles, whole wine cellars. Unfortunately, there is no little form for customs officers to fill out to let DFAIT know what its employees have been up to. Other than having their shipments confiscated, these civil servants are not penalized in any way.

I ask the minister: Is a diplomatic passport a membership card to the elite so they can put themselves above the laws of Canada?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, foreign service officers returning from overseas are treated just like any other Canadian when it comes to customs examination of their possessions. Any infractions that are found will be prosecuted or treated as appropriate, just as other Canadians are treated.

If the hon. member has any evidence of any particular individual or indeed any organization that is evading the law, I would appreciate that information. Until such time, to come into this House and insult a group of dedicated public servants who work for Canada overseas in our trade and diplomatic missions appears to me to be totally irresponsible and quite uncalled for.

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FISHERIES

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The health minister of British Columbia is quoted as saying that until the hon. minister accepts his constitutional responsibility for protecting salmon there cannot be a workable responsible public consultation process on the cancellation of the Kemano project.

Is the minister aware of what the province has done concerning the cancellation of Kemano? How is the minister fulfilling his constitutional obligations?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for giving notice of this question, important as it is to the people of British Columbia.

The suggestion of the minister of health in British Columbia to the Government of Canada that it is holding up or is stopping a public consultation process is absolutely false. It is an absolute red herring.

The people of British Columbia should know that the Government of British Columbia and Alcan have engaged in secret negotiations. They have prepared a secret report on the outcome of these negotiations. They have refused to give that report to the Government of Canada or to any other interested stakeholder.

I would say to the Government of British Columbia that managing the salmon resource is not a bingo game, it is not a game of chance. It has to be done properly and it should be done openly.

[*Translation*]

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, Quebec accounts for 25 per cent of the total population of Canada and is home to 29 per cent of those living in inadequate housing in Canada. Yet, in the past five years, it has been allocated only 19 per cent of the Canadian Mortgage and Housing Corporation's budget.

My question is for the minister of public works. How can the minister justify the fact that less money is available to the poor in Quebec than in the other provinces and what new way does he have to meet the glaring need for social housing in Quebec?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member raises an important question, but I think the record ought to be cleared.

The Government of Quebec chose not to participate in various housing programs over a period of a number of years. For the benefit of the House, it should be noted that the first public housing program was available across the country from 1950 to 1985. Quebec chose not to participate. The second public housing program was available from 1964 to 1985. Quebec chose not to participate until 1968. Despite four lost years, the province still secured almost 25 per cent of the national units. The first rent supplement program was available from 1971 to 1985. Quebec chose not to participate until 1978.

• (1455)

The facts are very clear. The Government of Quebec chose not to participate in these national programs. As a result, the figures to which the hon. member refers are somewhat bogus in view of those facts.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the minister's remarks are very hypocritical because, in the last federal budget, there was a $300 million cut in social housing. This department and its minister are heartless. Quebec has lost $950 million over the past five years, yet they have nothing to offer, nothing new to offer in terms of social housing, except for—

Some hon. members: Hear, hear.

An hon. member: And they call themselves Liberals?

Mr. Marchand: Exactly, the Liberal government is responsible for these misunderstandings with respect to social housing in Quebec.

In light of the minister's comments and of repeated cuts in social housing, are we to understand that the federal government is officially withdrawing from this area and planning to shift to the provinces and municipalities the responsibility for meeting ever increasing social housing needs?

[*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 question. It seems that the facts have struck a rather sensitive nerve in the hon. member.

The House should also be aware that since we have come to office, this terrible minister of housing and the Minister of Finance, it should be clearly stated: $4 million was provided for the Creeson initiative in Montreal; $5 million was paid out for Réparaction programs for 950 households; $5 million for rooming house RRAP; $15 million cost shared for households under Maisons lézardées; private–public partnerships, 13 projects in Quebec. We extended the first home loan insurance program; almost 24 per cent of the take up is in Quebec.

Some hon. members: Hear, hear.

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YOUNG OFFENDERS ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, we have been told by CAVEAT of the details surrounding the brutal murder and rape of Ann Marie Bloskie. Her murderer was six weeks from his 18th birthday when he beat Ann Marie to death with a rock, sexually assaulted her corpse, left her, returned the next day and sexually assaulted her again.

Why did the justice system not demand that this murderer be tried in adult court, since his actions are not actions of a young offender?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the Young Offenders Act provided at the time of that offence and since then that young people, age 16 and 17, can be transferred to adult court for a trial on such charges. If transferred to adult court they face adult sentences.

The fact is that the Young Offenders Act contains those provisions. As the hon. member well knows, it is the provinces' responsibility to administer them. It is up to the courts and the prosecutors to apply them.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, if he is referring to Bill C–37, the social engineering that has been done on that Young Offenders Act will change nothing.

At the trial in youth court, learned professionals stated that the murderer's favourite form of entertainment was watching violent non-consensual sex videos and he would require lifelong treatment and counselling. In our new Canada, this murderer would get lifelong treatment while he is in prison.

Since the solicitor general has allowed this murderer to be released, what assurances can he give Canadians that this killer will not jeopardize more Canadian women? Why has the solicitor general not allowed publication of his name so that Canadian women can be protected?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, steps were taken pursuant to the law, which provides for the names of potentially violent people being released to be provided to police authorities.

• (1500)

It is up to the local police authorities, in light of local privacy laws, to make decisions with respect to the releasing of names. We are encouraging provinces to work out protocols for the releasing of that information. We hope there will be a national system across the country before too long.

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CRIMINAL CODE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Minister of Justice.

Over 20 months ago the Prime Minister and the Minister of Justice promised that there would be a free vote in the House on the issue of physician assisted suicide and changes to the inhumane provisions of section 241 of the Criminal Code.

Will the minister now tell the House and Canadians, since the Senate has ended its study of the issue, what action he will take to keep his promise and to ensure that this elected House will have an opportunity to fully review and to vote on this profoundly important issue?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I acknowledge the hon. member's interest in the subject and I am grateful for the question.

As the hon. member has pointed out, some months have now passed since we have received the report of the Senate committee which discloses how difficult members of that committee found the issues. There was difficulty achieving consensus on some of the most fundamental questions that arose. It is now up to the government to determine where we go from here and how. It is also up to this caucus to discuss how the issue should be approached.

That having been said, I have long since expressed my preference for providing a process within which elected members of Parliament can bring their judgment to bear, as the Prime Minister has said, in a free vote on these questions.

My response to the hon. member is that this caucus in due course will consider how best to proceed from here so that these important issues can be brought forward for consideration.

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DEVELOPMENT AID

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Last night CBC *Newsworld* aired a program entitled "The Sceptics Journey". It showed four Canadians who began opposed to foreign development aid but after visiting a number of projects in less developed countries changed their minds.

What is the government doing to make more Canadians aware of the value and success stories of Canadian development aid?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I hope a lot of Canadians will see the film. I certainly appreciate the question of the hon. member that highlighted one aspect of the foreign aid program, the development assistance program that helps tremendously to resolve the problem of poverty in the world.

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[*Translation*]

PRIVILEGE

ORAL QUESTION PERIOD

The Speaker: I would ask the hon. member for Roberval if his question of privilege relates to question period.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, during question period, when we asked the Minister of National Defence about his complicity with and tolerance for those who celebrated Marc Lépine, the École polytechnique killer, the minister accused the whole Bloc Quebecois political formation and all Quebec sovereignists of being racist.

I would respectfully point out to you that this term is totally unparliamentary, unjustified and unacceptable, and I demand an apology.

Some hon. members: Hear, hear.

The Speaker: My dear colleagues, if you want, I will check what was said in *Hansard*, but at this time I do not see this as a question of privilege. I will review what was said and reported in *Hansard*, and I will get back to the House if necessary.

GOVERNMENT ORDERS

• (1505)

[*English*]

DEPARTMENT OF HEALTH ACT

The House resumed consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain other acts, be read the second time and referred to a committee.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, I am glad to have a few more minutes. Before being cut off I was responding to Bloc Quebecois members yesterday when they stated that the federal government had no right dabbling in health care. They failed to realize that a country must have certain standards. Hopefully the act will provide the standards.

I had experience with the health services of the province many years ago when it brought in a universal health care system. Line ups were so long that patients started paying doctors under the table to jump the queue. We do not want that. It demonstrates that people who have money get the care prior to the ones who do not have money. That is not the Liberal way of doing things and it is not the Canadian way of doing things.

We have heard the Prime Minister and the Minister of Health repeat over and over in the House that whether we are rich or poor we get the same health care, the same health services.

The bill hopes to save taxpayers money by doing things more efficiently, by co–operating with the provinces, the municipalities and the federal government. How can we best deliver health services taking into account today's technologies? People are sent home almost the same day they are operated on or the next day. By using these technologies hopefully we will be able to do things more efficiently.

This morning the Reform Party was jumping up, shouting and saying that there was nothing new in the bill. Its members offered their proposal. Their proposal is the American proposal where over 69 million Americans do not have proper health care. The polls show very clearly that Canadians do not want that.

My daughter just graduated from university and is now working. In the time of budget cuts when we had to reduce our deficit and our public debt I asked her as a young Canadian going out into the workforce who could pay for her health care, et cetera, what she would like the federal government to protect. Her answer was very interesting. Of all things the federal government is involved in she chose health care. She asked us not to touch health care. This is a Canadian starting out in the workforce, having graduated from university.

• (1510)

We are not building Canada for ourselves. We are building Canada for future generations, for our children and for their children. This is why the federal government has to take leadership. We cannot turn it over to jurisdictions where there will be no national standards. We cannot turn it over to a system where in one province we have to pay a lot more for an operation than in another province. Then people start flocking to the province where services are more available.

A personal friend of mine flew in from Florida for an operation in a Toronto hospital. He was a Canadian on vacation in Florida. Unfortunately there was not a bed for him. He had to fly to a Saskatoon hospital but did not make it. Is that the kind of health care we want, or do we want the kind of health care that when I need a triple bypass I get it right away because otherwise it may be too late?

Let us build a country wherein it will not be too late to have an operation. Let us build a country where everyone has equal access when they need it.

[*Translation*]

Mrs. Maud Debien (Laval East, BQ): Madam Speaker, I will start with some general comments on Bill C–95 before the House today. I quite agree with the Reform Party's concern about the meagreness of our legislative menu, but our positions converge so far and no further.

This government has made a habit of using ostensibly harmless bills to introduce provisions in which it assumes more and more powers. That is the case with Bill C–95. This bill establishes the Department of Health and amends and repeals certain acts. The purpose of this legislation is first of all to change the name of the department. What could be more ordinary?

After a closer look, however, we see that this bill contains provisions that are quite the opposite of the changes we were promised during the referendum campaign. It is this aspect of the bill, these new measures that are supposed to clarify the mandate of the federal Department of Health and will in fact increase its importance, which are revealing. Clause 4(2)(*a*) and(*b*) is particularly disturbing.

This clause provides, and I quote:

> —the minister's powers, duties and functions relating to health include the following matters:
>
> (*a*) the promotion and preservation of the physical, mental and social well–being of the people of Canada;
>
> (*b*) the protection of the people of Canada against risks to health and the spreading of diseases;

On the pretext of intervening on behalf of the well–being of the people of Canada, Ottawa could outflank the provinces in an area that is a provincial responsibility. These two clauses in Bill

C–95 give an indication of the very broad application this bill might have. It may have serious repercussions.

Need we recall that the Canadian Constitution of 1867 specifically recognizes health as an exclusive responsibility of the provinces? I know this government would rather not hear about the Constitution. That is just too bad. As long as this government keeps violating the Constitution, it will hear about it from Quebec, at any rate.

The federal government's intrusion in this provincial jurisdiction flies in the face of the very principles of Canadian federalism. And then they wonder why it does not work. They are trying to use the power of disallowance, based on considerations such as national interest, peace and good government, and of course the government's spending powers, to again restrict the prerogatives of the provinces.

However, as the federal government tries to encroach on jurisdictions that are exclusive to the provinces, its financial contribution decreases steadily.

• (1515)

In less than 20 years, the federal government's contribution to health care funding dropped from 45.9 per cent in 1977 to an expected 28 per cent in 1997. Finally, to divert attention from its financial withdrawal, the federal government proposed in its last budget a more flexible transfer payment formula under which all the money goes into a single envelope called the Canada social transfer. The federal government announced in the same breath that it would withdraw unilaterally and cut payments to Quebec by $308 million in 1995–96 and by more than $587 million in 1997–98.

The provinces were given the choice of cutting in either education, health or welfare. What a great example of decentralization and co–operation. Talk about flexible federalism. When a government can no longer afford to pay, it must have the basic decency not to try to impose its national standards and objectives more vigorously at the same time.

Since coming to power, the Liberal government has chosen to keep its deficit from growing by attacking social programs and going after the most vulnerable in our society. Yet, it is still trying to pursue Trudeau's old dream of controlling the provincial health care systems through national standards.

The federal government is now getting ready to invade the provinces' jurisdiction through the back door. For example, subclause 4(2)(c) of the bill gives the federal Department of Health the power to conduct investigations and research into public health. You may think that this is a noble objective. But how will the federal government conduct these investigations and this research?

Even though it is not mentioned in the bill, should the federal government have access to all the information needed to carry out its mission? Most of this information is often held by health organizations subject to provincial legislation.

This whole debate may appear pretty technical, but it may lead to many futile squabbles and discussions simply because the federal government does not respect its own fundamental law.

Of course, Bill C–95 shows our federal big brother's commitment to look after the health of all Canadians. It does not, however, tell us what steps the federal Department of Health will take to fulfil these noble ambitions. This is no accident. It is not in the federal government's interests to remind us once again that it is continuing its attempt to encroach on our jurisdiction over health matters.

In fact, on November 2, in the debate on second reading of bill C–95, the hon. parliamentary secretary to the Minister of Health plainly admitted that "its renewed commitment to a long and glorious tradition has inspired Liberal governments, politicians of every party and Canadian people over many years, indeed over many decades". Later, her Liberal colleague, the hon. member for Pierrefonds—Dollard, added that the Minister of Health had, and I quote: "strongly and successfully defended the principles championed for half a century by the Liberal Party, while developing Canada's health care system".

It is obvious that, through Bill C–95 in particular, the Minister of Health is carrying on the work that Marc Lalonde and Monique Bégin started. And after that, we wonder what is wrong with the federal system. Upholding a long and glorious tradition of duplication, overlap and encroachment, now I have seen it all. Just days ago, the Prime Minister promised major changes to accommodate the provinces, and Quebec in particular.

But today, we have before us yet another bill put forward by the federal government, which is doing everything it can to centralize and once again intrude on provincial areas of jurisdiction.

• (1520)

To paraphrase no committee chairman Michel Bélanger, this is the beauty of it. If the government is really committed to reducing the deficit, it should start by eliminating duplication and overlap with respect to health matters. But, on the contrary, Trudeau's followers are carrying on his work. I could mention, among others things, the fact that the department allocates important budgets for programs and projects that already exist in Quebec. Here are some examples: the strategy for the integration of handicapped people, the fight against family violence, the new horizons program, the seniors secretariat, the fight against tobacco, the anti–drug strategy, the strategy

against AIDS, the program on pregnancy and child development, the forum on health, and so on.

What happened to the commitment made barely fifteen days ago by the Prime Minister, who promised that changes would be made?

You will understand that, as an elected member representing Quebec, I simply cannot support Bill C–95.

Mr. Raymond Bonin (Nickel Belt, Lib.): Madam Speaker, I would like to express my support for Bill C–95.

In this connection, I would like to discuss what Health Canada has accomplished and recall that our country is very proud, and rightly so, of its health care system.

In fact, there is no other system like it in the world. We also have the Canada Health Act, which contains the five basic principles of our system: universality, accessibility, comprehensiveness, portability, and public administration.

Our health system has contributed enormously to our excellent quality of life. Furthermore, co–operation at the international level helps us stay abreast of new advances in health care in many other countries. Thanks to this co–operation, users and providers are informed of what is being done in the rest of the world. All industrialized countries exchange information and, as a result, are able to act efficiently and effectively.

Canada has already introduced a number of measures to help achieve its goal of renewing the health care system. We are reinforcing the community aspect of health care, improving the role of consumers with respect to health care and seeking a more integrated approach to health which goes beyond health care. A large proportion of our present and future interventions is focused on the principal factors that determine our health. A fundamental truth has transpired, and it is that health is more than just care. This is an incentive to understand the complex set of factors that create a society whose members are all in the best possible health.

Governments and communities are examining social, economic, physical and psychological aspects as well as other factors. The work being done in these areas supports and complements the services provided by the regular health care system.

We are beginning to understand the close and complex connections between factors that determine our health, and our decision–making is aimed at improving the quality of health care services. The national forum on health plays an important role in this respect.

In fact, the forum's role is to project a model of health care for the twenty–first century. The forum's team consists of 24 Canadian men and women: health professionals, volunteers and consumers who have come from across the country.

[*English*]

While our appreciation of the complexity of the interrelated factors that contribute to overall health has grown, so too have the challenges in making effective choices about how to allocate increasingly limited resources.

The federal government has taken a leadership role in communicating with all stakeholders, including the public, in terms of the kind of future systems we want and can afford. The national forum on health will play an important role in this regard.

If we are to preserve and improve our health care system we must first decide what is essential. In this regard the national forum on health and other bodies will provide important advice to the government.

• (1525)

[*Translation*]

One of the jobs of the members of the forum is to engage in honest and open discussions with Canadians about influences on our health and on our health care system in the coming years.

Four working groups have already been set up and are responsible for various aspects: decisions based on convincing evidence, health determiners, values and achieving a balance.

The forum was set up in response to Canadians' concerns, and Canadians are justifiably proud of their health system.

The forum is trying to find ways to improve both the health of Canadians and the effectiveness and efficiency of health care services, and public participation is vital to the fulfilment of its mandate.

Through a range of activities, the members of the forum are informing the public about the problems and the options for improvement of health and health care services in Canada.

The forum's broad public consultation will enable all Canadians to help develop recommendations.

Every Canadian will have an opportunity to express his or her values and convictions.

[*English*]

The federal government is also working in concert with its provincial and territorial counterparts through the conference of ministers of health. One of our common priorities in order to enhance the appropriateness and quality of health care has been to promote and strengthen the use of clinical practise guidelines. We want to orient health care on which practices work best for different groups at risk.

[*Translation*]

I would also like to point out that Canada is renowned worldwide as a centre for research, treatment and pharmaceutical developments.

Specifically, our country is a leader in the area of chemotherapy. Throughout the world, researchers and practitioners are investing in work of great significance to the millions of Canadians suffering from cancer or an infectious disease, and to those who are at their side in their struggle. The work done so far has had tangible results.

[*English*]

In 1990 approximately 413,000 Canadians who had been diagnosed with cancer within the previous decade were still alive. More than one–third of these people had lived more than five years since their initial diagnosis. Many of them had chemotherapy to thank for their success in fighting cancer. This year alone a further 125,000 Canadians will be diagnosed with cancer. They will look to advances in treatment such as chemotherapy for answers and hope.

In addition to chemotherapy, vaccines play another important role in our public health efforts. For example, while the hepatitis B vaccine is used successfully in the prevention of infection it also prevents the development of cancer of the liver. Another example is the BCG vaccine which is accepted as a therapeutic agent for treating cancer of the bladder and is also known to be used in the prevention of tuberculosis especially in countries where the incidence of tuberculosis is high.

[*Translation*]

We also know that the appearance of resistant strains in the case of tuberculosis, for instance, is a cause of grave concern among public health authorities.

In a world in which international travel has become commonplace, experience has shown that the progress we have made in fighting infectious diseases within our borders is no longer enough.

These factors are so many reasons why Canada puts such emphasis on health issues. Many of our health care priorities centre on the use of chemotherapy.

Health Canada is both a partner and a facilitator in medical research and efforts deployed in the public health sector in Canada.

This is an indication of the importance of progress achieved thanks to research and the government's resolve to continue this work.

[*English*]

The federal role in research has been generally well accepted in this country. Provincial research programs have frequently developed their own provincial research councils around the federal council to avoid overlap while ensuring their own research goals are met.

• (1530)

One of the best examples of the provincial research model is that of Quebec. Some hon. members may not be aware that one of the chief architects of the conseil de recherches, now the fonds de recherches, is the present Quebec minister of health, Jean Rochon. Mr. Rochon is a former dean of medicine at the University of Laval as well as the chair of the external advisory committee for Health Canada's national health research development program. He is also the author of the Rochon report and has worked for the World Health Organization. I suppose it is not surprising that research in Mr. Rochon's province is so well organized.

[*Translation*]

Contacts at the international level play a key role in the process. These contacts are long established, and we now have many mechanisms to help us overcome the barriers of time and space and work as a team to conquer disease.

Madam Speaker, just think what Pasteur would have accomplished with the help of Internet! Whether we are talking about cancer or infectious diseases, the entire population of this planet benefits from the co–operation of Health Canada with all concerned. I believe that together we will be able to make the requisite changes in our cherished health care system and bring it into the next century. I think we are on the right track.

I would now like to quote an old Arab saying: "He who has health has hope; he who has hope lacks nothing". With the help of all concerned, Canadians will keep both health and hope.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I was particularly touched by the comments of the member for Parkdale—High Park about his friend who on coming back from Florida was not able to find suitable medical treatment in Toronto. He had to go to Saskatoon and unfortunately it was too late.

Few issues treat all of us the same but the issue of health is one of them. All of us are concerned about health not only for ourselves but also for our families, friends and neighbours.

The hon. member for Nickel Belt, who just spoke, said that our country is very proud of its health system. I agree with that. He also said our health service has greatly contributed to our wonderful quality of life. I also agree with that.

The problem, I suggest, is the fact that the Liberals seem to think that they have a corner on wisdom when it comes to health care, that only they have the answers. This is really unfortunate.

I have also listened to the postering of the Bloc Quebecois during this debate. This is the official opposition that the Liberals choose to have in this House of Commons, contrary to anything else they may say. All the Bloc can do is posture about

the whole situation with respect to Quebec in this country. It seems to me a shame when we are actually dealing with an issue that has something to do with all of us.

The member for Parkdale—High Park said we must build a health care system before it is too late. Unfortunately, with the greatest respect to that member and to the Liberals, I say that the status quo as it pertains to medicare as it is presently constructed is not an option and that is the whole problem. The status quo is not an option.

Someone earlier in the debate today said that the Liberals were committed to medicare and to seeing that there are no barriers to access. I suggest that one of the greatest barriers to access is the $7 billion that the Liberals are pulling out of this part of the program.

Let us take a look at health care. The health minister threatens the provincial governments if they choose to try and come up with some new solutions or some different ways of looking at things in the same envelope from which they are taking $7 billion over two years.

• (1535)

The province of British Columbia has decided that it has to take some action because it is being cut back so drastically by the federal government that it again is responded to by the HRD minister with threats.

All of us in the House have times when we have to sit in front of students who are saying, what about the funding for education? We have to say we are sorry but that is part of the $7 billion package that is being cut back.

I suggest that this is not an honest policy. The Liberals are saying they are committed to medicare and yet at the same time they are taking $7 billion out of health, CAP and education. It is just not honest.

The member for Nickel Belt brought up the issue of the forum. He speaks about having a frank and open dialogue with Canadians. What I am speaking to here specifically is that words can become walls because they can create a caricature.

It is the desire of the majority of the Liberal members to create a caricature. They are saying the Reform Party is opposed to medicare, is opposed to saving what the member for Nickel Belt has already said, that our health service has greatly contributed our wonderful quality of life. The status quo cannot be maintained and we are the only party in this House prepared to say that. Let us take a look at what the options are, as opposed to simply rolling back and pulling in the amount of money that is presently available.

The member for Nickel Belt asked the question, let us determine what is essential. What is essential? Are all medical services essential? In what situation is cosmetic surgery essential? In what situation is liposuction essential? In what situation is sex change surgery essential? There has to be a list saying what medical procedures are essential. What is going to be covered by the contributions of people paying taxes in Canada?

I would suggest with the greatest respect and honestly in honour of what the member for Parkdale—High Park had to say about his friend, we must bill before it is too late. I ask him and I ask all Liberals in the House to realize that they do not have a corner on wisdom. They do not have a corner on a desire to see health care maintained and enhanced. In fact, the Reform Party has a plan called medicare plus which opens up a whole new way of being able to get to the root problem. The status quo cannot be maintained. We must make changes and we are prepared to make suggestions for changes.

In summary, I respectfully request that the Liberals within the hearing of my voice today reconsider and realize that they do not have a corner on wisdom. Perhaps we, in the Reform Party, have a couple of ideas that are at least worthwhile considering.

Why will they not co–operate with us in getting into an open dialogue so that Canadians can have an opportunity to have input into this process so that truly we can build a sustainable health care system in Canada.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Madam Speaker, I am pleased to have the opportunity to speak in support of Bill C–95.

In creating the Department of Health, this bill not only makes good administrative sense, it also makes good economic sense. The concepts of health and economics are intertwined. The health of the Canadian people is vital to the health of the Canadian economy and the health of the Canadian economy is vital to the health of Canadian people.

Our medicare system is based on sound economic principles, the same kind investors look for in evaluating a private sector enterprise. There are four main reasons for the success of this system.

First, our publicly funded system has enormous economies of scale. We have only one insurer in each province that provides standard health insurance coverage to all residents. No risk rating is needed. Payments to providers are simple. Financing the system is streamlined.

Second, our system results in lower overhead costs. Researchers at Harvard have found that Canada spends only 1.1 per cent of gross domestic product on health care administration. The United States with its private health insurance scheme spends about two and a half times that much. If we spent as much as the Americans do on administration, health care expenditures in Canada would increase by $18.5 billion a year. That is more than the entire health care budget for the province of Ontario.

• (1540)

Third, a publicly financed system can ensure universal coverage. That is an important element to a healthy workforce which contributes to a more competitive economy and economic growth. When there are fewer work days lost to illness productivity increases. Healthier people make fewer demands on the system. They live longer and they contribute more to the overall wealth of the nation.

The fourth factor that makes public health insurance more efficient is government's tremendous bargaining power in negotiating the cost of service by setting and enforcing global budgets for hospitals and physicians' fees. This gives government powerful levers to keep health care costs under control. In fact real per capita public health expenditures in this country have been declining since 1993. Estimates for 1994 suggest public spending on health declined in real terms by about 3.4 per cent.

Economic analysis makes it clear that Canada's health system provides major economic benefits. These benefits stem from efficiencies and cost savings associated with public funding.

Our health system attracts investment to Canada and it helps business to compete from Canada. Enormous economies of scale, lower overhead costs, improved worker productivity, tremendous bargaining power and proven results; if you heard, Madam Speaker, of a private company that could point to those attributes you would be rushing off to call your broker.

Our public health insurance system is a major asset to business. It is not a subsidy. It is an efficiency. We have entered an era when the public sector's role is quite appropriately being re–examined. Valid questions are being asked about government's place and the values of public funding versus private funding.

Health care is one area where government is not just as efficient, it is more efficient. It is not by accident that the United Nations rates Canada number one in the human development index. It has taken effort, and the development of the medicare system has been an important part of that.

It is also not surprising that an Environics survey in late 1993 concluded that 79 per cent of Canadians believe it is very important for the federal government to sustain the health system. Medicare, as we know, is an insurance program. In effect we have used our ingenuity, our foresight and tax dollars to create a giant insurance pool covering all Canadians. Health care needs and the related costs that medicare covers would generally exist no matter what system we have in place to pay and as we know health services are never free. Public or private, somebody must pay.

All we have to do is look at the auto industry. For every car that rolls off the assembly lines of Detroit the cost includes an average of more than $700 U.S. for privately funded health insurance. Is it any wonder that the big three automakers have consistently been among the strongest voices for a comprehensive public health insurance plan in the United States? Universal coverage is much more difficult, if not impossible, in a system based on private insurance schemes. We have evidence of that in the United States where fully 15 per cent of Americans are without any health insurance at all.

One fact will put this in perspective. We spend only 1.1 per cent of our GDP on health care administration. That is about $272 per person. The U.S. spends about two and a half times that much, about $615 U.S. per person and not one of those billions of additional dollars goes to patient services.

There is no direct relationship between increased health care spending and health outcomes. Health is determined by a number of factors of which health care is only one. The environment within which we are raised and live in is another. We do not necessarily gain better health from extra health care spending.

With those two facts it is clear that controlling health costs makes sense for both the public and the private sector. The need is to spend money wisely. Our medicare system, through federal–provincial funding, covers 72 per cent of total health spending in Canada, but some costs add nothing to positive outcomes.

• (1545)

The first economic benefit of our medicare system is that we have administrative overhead costs under control. We have one organization in each province that provides insurance coverage, not dozens or hundreds, as in an American state. We do not have the elaborate and costly processes that private insurers need to rate the risk of people or groups.

Think for a moment about private car insurance and the different premium structures for young, old, men, women, experienced and accident–prone drivers. We do not require the intensive control systems private insurers use to monitor premiums and set payment schedules. Simply put, we do not spend as much on overhead.

The relative difference in spending between us and our neighbour to the south saves our economy $30 billion a year. That is why we have large employers, seniors, working people, and health activists warning against the erosion of medicare. They know that costs will increase significantly with a two–tier system. They know another thing: we will all foot the bill.

Hon. members might be interested in another related economic benefit of Canada's medicare system; that is, a better record of controlling costs. Each provincial and territorial government is the predominant buyer of health care in their jurisdiction. This gives them enormous leverage to give the most service at the best price to taxpayers. They can negotiate fee structures and service costs in a way no private insurer could ever hope to.

They can shift spending to achieve more cost–effective outcomes.

In comparison with the public sector record, the private health sector has had little success in cost control. It accounts for more than a quarter of all health spending, and its costs have been growing at more than 6 per cent per year since 1990. Individuals and insurers in the private sector have found little leverage to bring these costs under control.

Canadians understand this difference. We have agreed as a country to pool our risk across society. We have agreed to let governments work out fair prices as the buyer on our behalf. The economic benefits of our medicare system are something all Canadians can share. We win in the quality of our health care system, which is second to none in the world. We also win in economic terms.

I am proud to support the passage of Bill C–95, which gives a new name to a department that has been working hard and well for all Canadians.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Madam Speaker, today I rise to speak in support of Bill C–95. It is with great pleasure that I do so.

To me the bill symbolizes a fundamental feature of our federation: the ability to achieve an appropriate level of the decentralization of powers between the federal government and the provinces. This is illustrated by our system of federal–provincial transfer payments for health. The system embodies a balance between the powers of the federal government and the powers of provincial governments, which is serving our country well. It provides for the national character of our health system while at the same time recognizing the constitutional jurisdiction of the provinces and territories over health care.

Our system of transfer payments for health has gone through an evolution over the last 30 years, an evolution that parallels the evolution of our health system as overseen by the Department of Health and the evolution of our federation.

In the 1950s, in an effort to foster the development of a national hospital insurance plan, the government passed legislation enabling it to cost share health programs. The passage of the Hospital Insurance and Diagnostic Act in 1957 encouraged the development of hospital insurance programs in all provinces and territories. Through the offer to cost–share hospital and diagnostic services on roughly a 50–50 basis, the HID legislation allowed the government to share in the cost of provincial hospital insurance plans that met a minimum eligibility and coverage standard.

• (1550)

By 1961 all 10 provinces and two territories had public insurance plans that provided comprehensive coverage for in–hospital care for all residents. Then in the 1960s came legislation enabling the federal government to cost share medical care insurance programs. In 1966 a federal offer to pay about one half of the cost of physician services insurance programs operated by the provinces became law in the medical care act. The act was actually implemented in 1968.

At this point I would like to digress and perhaps bring a more human and local tone to the piece of legislation we are dealing with today. I would like to inject just how important this piece of legislation is to the territory I come from. I could probably exemplify that by using the particular issue of tuberculosis.

In the Northwest Territories tuberculosis is still a major problem, as it is among the aboriginal population throughout Canada. In fact, I am an individual of the aboriginal population who spent 14 months in a sanatorium for tuberculosis, which was the treatment in the early 1960s. There were many other people who also did. It became almost routine that families had members who were afflicted or died from tuberculosis or were treated for an extended period of time.

The rate of tuberculosis among Canadian natives is 43 times higher than among non–natives. According to Statistics Canada, the rate of TB among status natives was 47 per 100,000 in 1993. By contrast, Bangladesh has a TB rate of 43.6 per 100,000. The rate for non–native Canadians across the country was 6.9 per 100,000.

One big problem that has an effect on these numbers is the accessibility to the health system and proper testing facilities. The availability in the north is difficult, often as the result of a lack of proper equipment. Many of the communities where people are afflicted are very remote and very hard to reach.

Lack of accessibility is also a problem for other communicable diseases, such as sexually transmitted diseases. In the north the STD rates are estimated by the Government of the Northwest Territories Department of Health and Social Services at 10 to 12 times higher than the national average.

Life expectancy numbers are another indicator of the general health levels of a population. Earlier this year the National Advisory Council on Aging, NACA, released its report, which contained more distressing numbers for the aboriginal population. A highlight of the report is that life expectancy for native women and men is 47 and 46 years, respectively, compared to 75 and 68 for the non–native population. The median age of the native population is 10 years younger than that of the Canadian population. The native elderly often experience premature aging, leading to death due to high rates of degenerative diseases.

Native people use much more informal care, family and friends, for certain dimensions of life—meals, shopping, et cetera—than non–native people.

The needs of older native persons for core services, for example adult care services, exceed the needs of the comparable non–native population. Aboriginal seniors residing off reserves are frequently excluded from the communities in which they live and the native communities from which they come.

It is also important to note that the Northwest Territories has the second highest alcohol consumption rate in Canada; five to six times the national average in reported violent assaults; and a suicide rate that is two to three times the national average. These are all symptoms, perhaps not directly related to health, but they have a huge impact on the wellness of a community and as a result have a huge impact on the health care system, either directly or indirectly.

• (1555)

The approach in relating this to the whole health care system is to look at preventive health measures. That is the innovation all levels of government are looking at. Organizations, aboriginal, non–aboriginal, those who live in the north are looking at ways of cutting costs, looking at ways of taking preventive measures and innovative measures that are going to help provide a more efficient and effective system that will serve their people.

One difficulty in the north that is taken for granted in southern Canada is interpreters. In many cases, without them a proper diagnosis cannot be made. Follow–up for major surgery is often difficult because patients have long distances to travel, often to the south. Often the follow–up does not take place for three to six months.

Accessibility is often difficult. As mentioned earlier, people often have to travel long distances away from their families, their primary support system, to receive care. Also, accessibility to medicine and prescription drugs is a problem.

We also have another important issue that aboriginal people and non–aboriginal people in the remote regions really take seriously, and that is nutrition. Nutrition and sustenance for those people are very important. The principal objective, for instance, of the food mail subsidy program is to improve nutrition and health in northern communities, which do not have year–round surface transportation. They are mostly isolated. There is usually air service and prices are from 30 per cent to 60 per cent higher.

Thank God for the country food chain that the aboriginal people have sustained for themselves. This is very important. Last year the government extended the program for one year with a budget of $17.1 million pending a review of the program. The north experiences the highest levels of unemployment, poverty, and child malnutrition. This subsidy only applies to nutritious foods that require refrigeration or have a short shelf life, as well as infant formula, infant foods, and non–carbonated water. The cost of living in the north is currently 30 per cent to 40 per cent higher than anywhere else in Canada, and in some areas it is even higher.

We have a great health system in Canada, and we would like to support it and continue it and make it even better, especially for me in my riding in the Northwest Territories as part of Canada.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I would like to commend the hon. member from across the way for so eloquently describing the plight of the people in her land. Truly, one of the profound tragedies in this country is to see the plight of the aboriginal people, a society that has been wracked in many cases by terrible levels of substance abuse, sexual abuse, interpersonal violence. Health care parameters, whichever way you wish to measure them, are some of the worst in our country.

If we look at the reasons behind this, one of the things one cannot help but look at is employment and being gainfully employed and being able to provide for yourself and your family. The ability to have gainful employment is integral to an individual's self–respect and self–pride. In turn, that imparts a pride and self–respect on the community at large.

A community and an individual cannot have self–pride and self–respect if it is given from somewhere else. They have to take it themselves. It cannot be given by a plethora of social programs from the federal government. These programs, while necessary, are not the answer.

The reason I say that is if you look at the terrible statistics the hon. member from the Northwest Territories has mentioned, you will find that these are mere symptoms of programs and an approach to the aboriginal people in this country that has failed and failed dismally.

• (1600)

We have to work with aboriginal people to enable them to take care of themselves, to provide them with skills training and skills programs that will enable them to be gainfully employed. If we are able to do that, aboriginal people can stand on their own two feet and provide for themselves and their communities. Then, as we just mentioned, the incidence of sexual abuse, violence, STDs and infant mortality would come down.

We have to change our approach, change the direction in which we are looking. This would not be a replacement of essential social programs. Usually we do not have gainful employment in areas that are far removed and very desolate. Sometimes it is possible through the forestry and fishing industries but usually it is not the case.

It is important that aboriginal people be allowed to develop infrastructures and industries that can be self–sustaining in areas appropriate for them. Many northern and remote areas cannot develop sustainable industries that will provide for the needs and demands of people whether they are aboriginal or non–aboriginal.

We are pouring in money to provide for people to live in areas far removed from where they can take care of themselves and their families. This approach must stop because it simply cannot work. Again the duty of the federal government will be to provide aboriginal people with the skills training necessary for them to stand on their own two feet. It is absolutely integral to anybody's ability to have pride and self–respect and to society's ability to have pride and self–respect.

I hope the government does not pursue the same course it and previous governments have been taking for decades. The politically correct thing to say is that we will merely pour more money into social programs and social schemes for aboriginal people, but this will simply not work because it does not address the root causes of why the individuals were there in the first place.

I hope the government takes a very careful look at its programs in the future to try to bring down the terrible parameters among aboriginal people and provide them with the ability to stand on their own two feet in the future.

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, I welcome the opportunity to speak in support of Bill C–95, an act to create the Department of Health, because it is through the Department of Health that Canadians express the values that underlie the Canadian health system. I speak of the values embodied in the Canada Health Act, an act which is the responsibility of the Minister of Health and through her the Department of Health.

The Department of Health is instrumental in protecting and preserving the Canada Health Act and with it the values that underlie Canadian society. The principles of the Canada Health Act, universality, accessibility, comprehensiveness, portability and public administration, are rooted in our common values. These Canadian values are equity, fairness, compassion and respect for the fundamental dignity of all. Canadian society has cherished these values for many years and the concern shown recently by those who feel the health system is threatened clearly indicates those values remain strong.

The Canadian concern for the preservation of our health system is heightened when we hear the Reform Party's position on medicare throughout this debate. The Reform Party's position is simplistic and in reality is an attempt to undermine and destroy the five fundamental principles of the Canada Health Act.

The Reform Party's promotion of user fees will not be tolerated by Canadians. The user fee system advanced by the Reform Party will lead to a United States health care system. This is unacceptable for Canadians. User fees will affect accessibility and universality. Universality is not based on insurability criteria or the number of pre–existing medical conditions that exist in a person. All Canadians are entitled to medically required health services.

• (1605)

The first and fundamental principle in our Canada Health Act is universality. All Canadians should benefit on uniform terms and conditions from medicare. Universality really means that we as Canadians believe we are all the same when it comes to health care needs. It does not matter what our health status is or how big our wallet is or where we happen to live in the country. Everyone who needs health care will be treated the same. This is equity. It recognizes our dignity as human beings and shows we are fair and compassionate people.

Accessibility is the second principle. What does it mean? It means that we should not face any barriers in receiving health care, no point of service charges such as extra billing or user charges. Underneath it means that we practise in Canada what we preach. We say that all Canadians are to be treated equitably and we ensure that they will be. The accessibility principle makes sure that no discriminatory measures can be put in place that would result in Canadians being treated differently. All are to have reasonable access to necessary health care services based solely on need.

I call upon the Minister of Health to enforce vigorously the provisions of the Canada Health Act, to ensure that user fees or service charges are not implemented in any riding in any province in Canada. I wish to go on record today as supporting the Minister of Health in her initiatives to protect and defend the principles set forth in the Canada Health Act.

The principle of comprehensiveness recognizes that Canadians have a range of health care needs and those needs should be met. Delve deeper, however, and we see that comprehensiveness means we practise fairness. It would not be fair to ensure only some medically necessary services and not others. For example, it would not be fair to cover only services that cost catastrophic amounts, while leaving other just as necessary services uninsured. Immunization of a child against measles is just as necessary as a coronary bypass operation. Indeed immunization has society–wide benefits.

Throughout the debate the Bloc Quebecois continuously refers to the intrusiveness of the bill into provincial jurisdiction and reminds us of the exclusive jurisdiction of the provinces regarding administration and management of the health care system. The Bloc Quebecois has failed to advise the House of the flexibility that the Canada Health Act provides. Eighty–nine

per cent of Canadians including the Quebecois support the Canada Health Act and the medicare system.

The delivery of health care is a provincial responsibility. Canadians respect this and the diversity that it brings. In the end we will all benefit from diversity because a successful innovation developed in one province can be borrowed and adapted by others. For example, let us look at the CLSCs developed in Quebec, the extra–mural hospital in New Brunswick and the quick response teams in British Columbia.

Innovation has never been as important as it is today. During these difficult fiscal times the health system must adapt and change. It must do this at a faster rate than ever before. Innovation is needed to make sure that the health system continues to adapt to changing circumstances. Pressures on the health system are always changing: changing demographics, changing technologies, changing fiscal situations. The comprehensiveness principle recognizes that health systems must be adaptable and allows for innovation.

The Reformers' approach to medicare simply implies that there is not enough money in the system to afford health care in Canada. They address the issue by compromising fundamental and basic values and principles set forth in the Canada Health Act. This is unacceptable. The user fee approach will lead to a United States health care system that is not to be supported in Canada.

Money cannot be the determining factor of success in a health care system. If money were the major criteria the United States would have the best health care system in the world as it spends 14 per cent of its GDP on health.

• (1610)

Based on OECD statistics United States ranks 14th in the world among developing countries. Japan spends the least amount of money in the world on its health care system and Canada spends 9.4 per cent of its gross domestic product on health care. Managing the system, protecting our values and fundamental principles will allow us to save money and to administer health care more efficiently and effectively.

The fifth and final principle is that of public administration. Our health insurance plans must be operated by provincial governments on a non–profit basis. Public administration is the means by which we ensure all other principles. When health insurance is operated and funded through governments we can easily make sure that health care is universal, accessible, comprehensive and portable because we have direct control over it.

After having heard the debate and comments of the member for Calgary Centre I urge him to read carefully Bill C–95. I draw to the hon. member's attention the words health and welfare. For the information of the House, welfare is now to be correctly directed to the jurisdiction of the department of human resources. Human resources is responsible for employment, training and creating opportunity for unemployed Canadians.

On the other hand, health is to remain within the Department of Health. Through Bill C–95, the creation of the Department of Health, the department responsible for the Canada Health Act, we are affirming the principles and values that we hold dear as Canadians. I urge all members of the House to do the same.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on the motion. 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.

[*Translation*]

And the bells having rung:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(5), the recorded division on the question stands deferred until tomorrow at 5 p.m., at which time the bells to call in the members will sound for not more than 15 minutes.

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—child poverty; the hon. member for Kamouraska—Rivière–du–Loup—manpower training.

* * *

[*English*]

MANGANESE BASED FUEL ADDITIVES ACT

The House resumed from November 6 consideration of the motion that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed.

The Acting Speaker (Mrs. Maheu): When Bill C–94 was last before the House, the hon. member for Athabasca had 34 minutes remaining in debate.

Mr. David Chatters (Athabasca, Ref.): Madam Speaker, in resuming my presentation on this topic I should like to briefly review where I was yesterday when I was interrupted by the vote. As I was saying, when thanking the witnesses who appeared before the committee to discuss in all sincerity and earnestness the topic before us, trying to influence the government's position on Bill C–94, it was very apparent the members of the committee and the government were not prepared or interested in listening to anything the witnesses had to say simply because their minds had long since been made up to support the minister's political commitment which had long since been bought and paid for.

• (1615)

We went on to talk about the issues the minister had raised in support of her bill. Yesterday the member for York—Simcoe had been babbling on about the Reform Party's being in the pockets of Ethyl Corporation, this evil corporation with its head offices in the U.S. That was absolute rubbish.

Right from the beginning as I met with both sides on this issue and discussed their positions, which was more than the minister was willing to do, it became very clear someone was distorting the facts on the issue. Over the summer months I spent a tremendous amount of time researching the information available and judging the information before us. The more I did that the more I came to believe that the positions of the Canadian Petroleum Producers Institute and Ethyl Corporation were correct and that the motor vehicle manufacturers' position was very flawed.

That was brought to my attention through endless studies done in Canada and the U.S. on the subject. It certainly was the judgment of the Environmental Protection Agency, two courts in the U.S., and a lot of independent testing done on the subject.

I went on yesterday to talk about some of the positions and the flaws in those positions put forward by the government, one of which is that MMT causes damage to the OBD II technology in 1996 cars. The evidence brought forward in the U.S. and Canada in the most extensive series of tests ever done on a fuel additive in the world failed to verify the motor vehicle manufacturers' position on that interference of the OBD II systems.

The issue of sparkplug failure was a favourite issue of the minister in that sparkplugs were failing up to 17 times higher in fuel with MMT than in fuel without MMT. We referred to very extensive testing in the U.S. on the subject, independent testing that failed to find any connection whatsoever between MMT in gasoline and the failure of those sparkplugs. The failure of the sparkplugs was an inherent flaw in that particular brand of sparkplug and had little to do with MMT.

When we were in committee and we asked for evidence to be brought forward from the MVMA to show us where this failure of the sparkplugs was proven, it brought forward a number of pictures of sparkplugs. The first was a picture of a sparkplug that looked almost brand new, which aroused some suspicion. Any sparkplug that has ran 50,000 kilometres or more has some discolouring on the porcelain section and does not look like the sparkplug in the picture.

The other picture was of a sparkplug that was very fouled and in terrible condition. The representative from the MVMA pointed out these two sparkplugs were identical sparkplugs used in identical vehicles, one run with MMT fuel and one without. When we took a closer look at the pictures clearly they were not even the same type of sparkplug. They were different sparkplugs.

Immediately we began to doubt the validity of the evidence being presented when presented as one thing when even laymen like ourselves on the committee could very easily see the evidence was flawed, manipulated and not correct. I do not think the claim of the sparkplug failure had much validity, which raises doubts about the entire evidence.

• (1620)

Then we went on to the issue of tailpipe emissions from the vehicles and how they would affect our environment. In the process of the Environmental Protection Agency study and to satisfy the U.S. clean air act requirements for the reintroduction of MMT in unleaded gasoline in the United States, Ethyl Corporation conducted the most extensive series of tests ever undertaken on a gasoline additive. The testing program was designed with the assistance of the U.S. Environmental Protection Agency and U.S. automakers to evaluate and document the effects of MMT performance additives on automobile tailpipe emissions and to determine the implications for air quality if the MMT additives were used in gasoline.

The initial MMT emission test program involved 48 cars, representing a broad cross–section of automobiles driven in North America, operated for a total of more than three million miles. Half of the 1988 cars used a test fuel with additives and the other half used the same fuel without additives. Tailpipe emissions were checked every 5,000 miles.

In committee various witnesses put forward a lot of very technical evidence. I pointed out earlier that the validity of the evidence concerning sparkplug misfiring was suspect and there was also that same suspicion regarding the data concerning tailpipe emissions. I will give the House another example of that suspect evidence.

In committee the hon. member for Hamilton—Wentworth, a member of the government, raised these concerns regarding the data presented concerning tailpipe emissions. From the blues of the Standing Committee on Environment and Sustainable Development of October 24, 1995 he said: "What interests me is

that this chart shows very clearly that Canadian cars using MMT have a significantly lower NOx emission than those used in the United States not using MMT. Am I not seeing improvements with MMT as opposed to the opposite?"

The witness responded by saying: "I think you are seeing a false improvement as a result of MMT".

The hon. member for Hamilton—Wentworth responded by saying: "It is your chart. If that data is false then surely the other data that shows improvements in the emissions of hydrocarbons and CO2s and carbon dioxide, then these other two charts are also suspect. What I am trying to get at is what does any of this data mean? If you say that one is false, are these two therefore right or are they all false?"

In spite of his serious suspicions of the evidence before him this member failed to raise any concerns with the content or validity of the bill in the clause by clause review or at report stage and here we are at third reading. Will the hon. member for Hamilton—Wentworth now vote to hold the bill until further independent research is done to verify that suspect evidence?

We studied this matter over the summer. The Environmental Protection Agency participated in this test program in determining the test protocols and the definitions involved. Also many independent testing facilities were used to analyse the data using similar protocols and procedures to those laid out by the EPA.

The data were subjected to rigorous, independent statistical analyses to evaluate the impact of the additive over 75,000 miles of vehicle operation.

An additional test fleet of 44 cars of 1992 and 1993 models were tested and yielded similar results to the 1988 fleet. Four models of the 1992–93 test fleet were driven 100,000 miles without any catalytic system problems due to MMT. All the MMT cars met exhaust emission standards at 100,000 miles. Two other 1988 models were also run to 100,000 miles without exhaust failure due to MMT.

These programs took nearly five years and cost millions of dollars. It is the most extensive series of tests ever performed in support of a fuel additive waiver. The evidence is pretty strong as to the effect on tailpipe emissions of MMT.

• (1625)

The next issue in question which has been raised by the minister in the House is health. In committee we heard experts from Health Canada's monitoring and criteria division who presented their conclusions from a December 6, 1994 risk assessment which focused on new epidemiological studies and a Canadian exposure data entitled "Risk Assessment for the Combustion Products of MMT in Gasoline". The study concluded that the use of MMT in gasoline does not represent a health risk to any segment of the Canadian population.

Specifically the report states: "Airborne manganese resulting from the combustion of MMT in gasoline powered vehicles is not entering the Canadian environment in quantities or under conditions that may constitute a health risk". The study also concludes there is no connection between levels of ambient respirable manganese and MMT sales or use in unleaded gasoline, whether examined by geographic area or by season.

The last and probably most important issue in the whole debate in the House and in committee was based on the uniformity of gasoline in the North American market. On April 25 of this year the hon. Minister of Industry stated: "It is crucial that we have uniformity standards". The hon. minister is referring to the fact that at the time MMT was not used in the U.S.A. but was in Canada, and for that reason it was important to have the same gasoline in the North American market.

I would like to know now if the minister still agrees with this statement because the U.S. court of appeals has now ordered the U.S. EPA to grant Ethyl Corporation's application for a waiver, paving the way for the use of MMT in unleaded gasoline in the United States. The EPA has until early December to appeal. Our sources say that is unlikely.

Several U.S. refiners have provided written notice of their intention to use MMT. Ethyl has received orders pending the appeal date from not only the U.S.A. but from Mexico, Argentina, Russia, Bulgaria, Indonesia and Peru. Most of the rest of the countries of the world are still using leaded gasoline, which makes the issue irrelevant for them.

The uniformity of gasoline additives within North America would now require Canada to maintain rather than restrict the use of MMT. If the Minister of Industry still stands by his statement, I hope to see him vote against the bill in the House on third reading. If he no longer stands by his statement, the House would really like to know why he now believes that uniformity in the North American market is no longer crucial.

With this question of uniformity in mind, why do we not hold the bill on the Order Paper until after the appeal period has expired, particularly now since the American automakers have approached Ethyl to do independent testing in the U.S.? Does the government believe the uniformity of gasoline is no longer crucial in North American markets?

The refineries were among the groups that appeared before the committee to discuss this bill and to lobby in opposition to the bill simply because of the increased costs to the refineries in the event of banning MMT. For the benefit of members opposite

who seem to be in a great frenzy to promote the use of ethanol in gasolines, the refineries clearly stated that should MMT be banned in Canada, ethanol would not be used as a substitute for MMT. Economics would simply dictate that instead of using MMT a much enhanced refining process would be required which would cause greater volumes of crude oil and greater emissions from the refining process of a number of undesirable elements, including carbon monoxide and sulphur dioxide.

Also concerning environmental pollution, there were a number of studies by Calgary based T.J. McCann and Associates Limited and Environ International Limited of California—MMT is banned by name in California—showing that the likely range of increase in nitrous oxide emissions if MMT were to be banned would be equivalent of adding 32,000 to 50,000 tonnes per year to the environment, the equivalent of putting over a million additional cars on the road by the year 2000.

• (1630)

Last May Environ of California concluded that Environment Canada in the McCann study underestimated the annual increase in tonnes of nitrous oxide emissions that would result from the removal of MMT, saying it would result in between 49,000 and 62,000 tonnes more nitrous oxide into the environment.

Putting these studies into a non–technical format, removing MMT would increase nitrous oxide levels from automobiles by up to 20 per cent, an action which contradicts Environment Canada's environmental management plan and Canada's signing of a 1998 international treaty promising to freeze nitrous oxide emissions at 1988 levels.

Canada's major cities are faced with increased pollution levels. I find it hard to believe the Minister of the Environment is pushing legislation that would increase pollution. She knows nitrous oxide emissions are the cause of urban smog. Therefore she should be supporting any means to reduce nitrous oxide. Now she will probably tell the House that the new OBDs will reduce pollution and therefore will counteract the increased levels of nitrous oxide.

I remind the minister the OBD systems in no way affect the emission or pollution levels. They are simply a monitoring system and will not therefore affect the emission control systems in the amount of pollution they allow into the environment.

I note there is no support for this bill from the provinces, specifically my province of Alberta as well as Saskatchewan, Nova Scotia, New Brunswick and Manitoba. I have also in my possession a copy of a letter from the minister of natural resources from Quebec urging the government to reconsider its position on MMT considering recent events in the U.S.A.

Also, what is truly amazing is the complete turnaround of the official opposition, which supported the government's initiative on second reading. Despite the fact that its members were a rare sight at the committee hearings, on third reading they appear to be supporting our position on the bill and opposing the government.

I and other members of the committee who studied the bill, if open minded, would have to come to these conclusions. The evidence presented as to the effects of MMT on OBD II is at best inconclusive. The use of MMT in gasoline has no detrimental health effect on Canadians, as confirmed by Health Canada. If the use of MMT has any measurable impact on the environment, it would be a positive impact due to the reduction of the smog producing nitrous oxide.

If fuel harmonization in the North American market is crucial, as the Ministry of Industry stated in the House on April 25, in view of recent events in the U.S.A. the bill will not aid in the harmonization but will provide the opposite result.

The bill sets a dangerous precedent for the future of the Canadian environment. If we are to continue the great progress in the reduction of automobile emissions we have seen in the last number of years, we must have a harmonization or a co–operative effort between the auto manufacturing industry and the manufacturers of automobile fuels. If the bill is any indication of the way the auto manufacturers plan to co–operate with the fuel manufacturers, it certainly does not bode well for the future progress in the technology of automobile emissions.

We must postpone passage of the bill while independent testing is conducted on the effects of MMT on OBD II and also to give us time to assess the situation in the U.S.A. after the time expires of the appeal court decision.

Therefore I will be voting against the bill at third reading. I certainly will be watching to see how Alberta's only representative in cabinet and the representative for Alberta's resource industries will be voting, as well as the member for Sarnia—Lambton, who has been amazingly silent on this whole issue, considering he represents the constituency where the Ethyl plant is located and where the resulting layoffs from the government's decision will no doubt occur. I will be watching this very closely.

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, it is a pleasure for me to rise again to speak to Bill C–94, the manganese based fuel additives act.

We have heard all kinds of arguments for and against the legislation now before the House but it is clear there are still misconceptions on the other side.

• (1635)

I will focus on the crucial reasons we seek to ban the use of manganese based fuel additives in Canada. We are doing this

because it is good for the environment, good for Canadian consumers and good for Canadian business and workers.

The ban benefits the environment by supporting the latest development in technology for reducing emissions from motor vehicles. That is significant because vehicles are still the largest single factor contributing to air pollution. In recent decades we have seen major improvements made by vehicle manufacturers and fuel producers. These have certainly lowered the amounts of pollutants released by individual vehicles.

During the same time the number of cars and trucks on the road has grown considerably. As a result, gasoline and diesel powered vehicles are still responsible for 60 per cent of the carbon monoxide emissions in Canada. They are responsible for 35 per cent of the nitrogen oxide emissions. They are responsible for 25 per cent of the hydrocarbon emissions and they are responsible for 20 per cent of the carbon dioxide emissions. Given those numbers we must make every effort to lower vehicle emissions for the sake of air quality in Canada.

Certainly we have seen progress since the 1970s. One decisive step was the phase out of lead from Canadian gasoline starting in 1977. Another has been the improvement in fuel efficiency of cars and trucks. Still another has been the introduction of emissions control equipment.

Now we are in the midst of taking another major step, the introduction into our cars and trucks of onboard diagnostic systems. These systems are designed to monitor the performance of pollution control systems in our cars, in particular to monitor the catalyst, and to alert the driver to malfunctions in those emission control systems.

In essence a properly functioning onboard diagnostic system is a built in inspection and maintenance tool. As we know, inspection and maintenance of a vehicle can greatly reduce vehicle emissions. For proof of this we need only look at programs that require vehicles to be emissions tested from time to time.

For example, the Vancouver area has the air care inspection and maintenance program which is conducted on an annual basis. In the tested fleet of cars the programmers reduced hydrocarbon emissions by 20 per cent, carbon monoxide emissions by 24 per cent, nitrogen oxide emissions by 2.7 per cent and fuel consumption by 5 per cent. That is a municipal, metropolitan emissions monitoring system.

The new onboard diagnostic systems which we will have in our vehicles could allow all Canadians to benefit from such emissions reductions. As I said, they are built in emissions monitoring systems. However, there is one obstacle to this: the continued presence of MMT, an octane enhancer currently used in unleaded gasoline.

The automotive industry is convinced that MMT adversely affects the sophisticated new onboard diagnostic systems. It affects the effectiveness with which those systems can monitor the emissions and warn us when emissions are increasing.

This is not an isolated statement or an assertion on my part but the conclusion of Ford, Chrysler, General Motors, Toyota, Honda, Subaru, Nissan, Mazda, Mercedes, BMW, Volkswagen, Volvo, Saab, Lada, Jaguar, Land Rover and Hyundai.

General Motors is a major employer in my riding of Peterborough, employing approximately 8,000 people. General Motors employees are concerned that the investment in the new modern onboard diagnostic systems in the 1996 models not be wasted.

• (1640)

The list of supporters I have just cited includes virtually all of Canada's automakers and importers and all of their workers. When they speak with such unanimity, we need to listen to their message carefully. Their opinion is based on hundreds of thousands of vehicles running millions and millions of kilometres on MMT gasoline in Canada, not on 48 vehicles running a few million kilometres in the United States. This opinion is based on the experience of the producers and users of the vehicles of an entire nation, not of a few cars selected by the EPA in the United States.

Suppose the efficiency of the catalyst in our vehicles' pollution control system is reduced by 50 per cent due to abnormal wear or a manufacturing deficiency. The catalyst is one of the key controls of emissions by our vehicles. The result of this reduction of 50 per cent in its efficiency would be a twofold increase in emissions compared with a properly functioning vehicle.

However, at the present time drivers would be unaware of the increase in pollutants as a result of the decline in efficiency of the catalyst in their cars. They would be unaware of the increase of pollutants if MMT interferes with the proper functioning of onboard diagnostic systems, the systems which monitor emissions from vehicle.

The member opposite mentioned the case of sparkplugs. There are real indications that the use of fuel containing MMT causes sparkplug failures. GM Canada, the automotive corporation which is closest to my riding, reports that sparkplug failures for one particular Canadian model are 17 times higher than a comparable U.S. model. Again this is not some laboratory experiment, not some engines running on a bench in a factory or a few vehicles driving around California being monitored by technicians. This is the opinion of one of the major Canadian automobile producers. It is one of the largest employers in the country.

As I mentioned in my previous speech on this legislation, the federal government gave the petroleum and automotive industries a considerable period of time to get together to sort out this

problem. I suggest the federal government has now waited long enough for the fuel producers and the automakers to resolve this dispute between themselves. If we do not act now the federal government's vehicle emissions reduction program will be in jeopardy. We risk missing out on major reductions in smog, carbon monoxide and hydrocarbons.

The time has come to make a decision. Bill C–94 is a decision in favour of Canada's environment.

Members will note the bill helps the environment by improving onboard diagnostic systems and the efficiency of our vehicles. We do not base our argument on environmental improvements simply on the reduction in emissions of MMT. We base them on the effect of MMT on the emission monitoring systems in new models of cars and trucks.

Therefore Bill C–94 is the decision in favour of the environment. It is also a decision in favour of Canadian consumers because it ensures they will have access to state of the art emission reduction technologies. Unless we act now we could face a situation in which automakers will be forced to turn off the onboard diagnostic systems in new models because of the damage MMT causes.

In fact, one manufacturer is already bringing models off the assembly line with the onboard diagnostic systems partially disconnected. Some manufacturers are no longer prepared to pay the substantial warranty costs for damage caused to pollution control equipment. In the end, it is we, the Canadian motorists, who have to pay more to have our cars maintained because of this kind of industry action. The government will not allow the buck to be passed to Canadian consumers. For their sake we need to move now and pass Bill C–94.

• (1645)

Solving the MMT issue signals the government's desire to ensure that Canadians have access to fuel formulations that will not impede the performance of the vehicle emission control systems. We know that this is only a small step in the process of reducing vehicle pollution.

The petroleum industry needs to keep making improvements in the composition and properties of the fuels that automobile engines burn. The auto industry needs to keep making improvements in vehicle emissions control technologies such as those offered through the onboard diagnostic systems that I have just been discussing.

The government, for its share, must act now to reduce pollution by vehicles. Very recently in Whitehorse the Canadian Council of Ministers of the Environment which includes our own minister of the environment and sustainable development endorsed a report on cleaner vehicles and fuels. The report calls for reducing pollution from automobiles by means of tougher national for vehicle emissions and fuels.

It also calls for actions to improve fuel efficiency and to promote advanced technology as well as vehicles running on alternative fuels. Further, the CCM report recognizes the importance of inspection and maintenance programs to ensure that emission control systems are in good working order. I have addressed that matter and the way MMT relates to it.

By acting on the report Canada will have a new program for low emission vehicles no later than the year 2001 with an earlier phase–in, in harmony with the United States if feasible. There will be new standards for cleaner gasoline and diesel fuel. The result should be significant health benefits.

This Whitehorse report was prepared through a consultation process involving representatives from industry, environmental groups and other stakeholders. What we are doing here today will help achieve the aims of that report. We need to act now. We cannot, as the member opposite keeps suggesting, afford to wait or delay.

In the past year we have heard a great deal about a much wider atmospheric issue, that of global warning triggered by the greenhouse effect. Scientists have concluded we cannot wait for hard and fast proof that human activities are causing an unprecedented climb in global temperatures because by the time we have the proof, we will be overtaken by climate change of possibly catastrophic dimensions. Instead we need to act now on the precautionary principle. There is sufficient evidence to indicate a danger and action now will be beneficial in any case.

The actions we should take to avoid possible climate changes are actions which we should be taking anyway to make this planet a healthier place to live.

Of course, and I accept the member's arguments on this point, MMT use in gasoline is not specifically a global warming issue but the same principle applies. There is plenty of evidence to show the danger MMT presents and if we eliminate its use now there are sure to be benefits to Canada's environment, Canadian consumers, Canadian industry and workers.

That is why Bill C–94 makes such eminent sense. That is why I am going to support this legislation and why I urge all members of the House to support it.

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, in congratulating the member for Peterborough for his lucid intervention I would like to ask him the following question.

• (1650)

In his view are the interests of consumers, car users and car buyers, in the riding of Athabasca, in the riding of Laurentides or in any other riding of members of Parliament who have

expressed opposition or doubts about the necessity of removing manganese from gasoline, well served by those who oppose this bill?

Mr. Adams: Madam Speaker, I thank my colleague for his question. He draws attention to the fact that this legislation affects virtually every Canadian. In addition to its improvement of the environment, it affects the health of us all.

Every person who has a car or a truck is affected by this legislation. These onboard diagnostic systems which we are discussing and which manufacturers tell us are directly affected by MMT in gasoline add a great deal to the cost of a car.

If the manufacturers fail to hook up the systems, the cost of the car will be the same but Canadian drivers will not have the benefit of those expensive systems although they have paid for them. Even more, they will not have the benefits of the improvement in the environment which will result from proper monitoring throughout the year, day in, day out, every driving hour, the emissions from their vehicle.

I find it unfortunate, given that the federal government allowed the petroleum industry and the automobile industry a very considerable time to come together and discuss this matter. It is very unfortunate that the member opposite reduces this argument to a battle between the petroleum industry which this government supports and Canadians. This is simply not the case.

The petroleum industry in the United States adapted to the ban on MMT very quickly. It has the technology to do that. The larger part of the petroleum industry on this continent has been producing gasoline without MMT in it.

It is extremely unfortunate that the member opposite makes this argument on the basis of these large petroleum corporations that already have the technology to take the MMT out and simply bring Canada in line with what has been the norm on this continent for many years.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I have a couple of questions for the speaker.

He mentioned that one of the rationales behind banning MMT in Canada is that the North American market, which is much bigger than the Canadian market alone, has been MMT free. The Americans have been MMT free for some time, based on a decision in the United States that prohibited the use of the product.

Now the court decision appears to be allowing MMT to be used in the greater North American market and by far the bigger market will be having MMT starting almost immediately. The EPA has decided not to appeal the decision to allow MMT. Therefore it looks as if the Americans are going to have MMT soon.

None of the quotes from Saab, Honda, GM or other car maker has been tabled in this House. The government will not table them. Rather than forcing this bill, which has no scientific backing, through, would it not be wiser, based on that uncertainty about this greater gasoline market, to hold off on banning MMT in Canada if it is going to be allowed in the United States? I would like the member's opinion on that.

Mr. Adams: Madam Speaker, I thank the member for his question. I know he has been following this debate very seriously.

First I want to pick up his remark about lack of scientific evidence. His colleague, in the speech which preceded mine, referred to rigorous statistical analysis and phrases of that sort.

• (1655)

Members opposite know that an experiment based on the opinion of 27 million automobile owners is based on a very solid scientific foundation. How much better a foundation scientifically than 48 vehicles that have driven three million miles, which is approximately five million kilometres. On the scientific evidence side, I urge the member to bear in that mind. We are talking here about manufacturers who have been monitoring hundreds of thousands of vehicles.

Going back to the member's remark and the Reform Party's point that the decision has been made in the United States, we know that the United States has a very legalistic system. All sorts of groups, particularly large corporations, can take advantage of the system to fight decisions they do not like.

I would remind members opposite that MMT is banned in the United States at present. We will see if it is going to come in. The great state of California, which is comparable in population and has more vehicles than our whole country, has enormous automobile problems. It has been trying to tackle them with many of the most stringent regulations in the world. The state of California has banned MMT.

If and when we see the state of California, which is progressive in this regard, acting the way the Reform Party expects then I think the member will have a stronger base to stand on.

In general, I do not think that Canadians should follow the lowest common denominator. We should aim for the highest standards and try to achieve them where we can. That is what we are doing in this case.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I listened very intently to the excellent presentation by hon. member. I have just a quick question.

He mentioned a number of varieties of automobiles. I believe he stated that all automakers in Canada and many of the foreign automakers were supporting this initiative.

Is this something that just evolved in the last month, or two or three months? Or have these studies been ongoing for several months or perhaps years, as the automakers make their plans and directives for new equipment and machinery that will go into their automobiles for future generations?

I wonder if the member could perhaps address that.

Mr. Adams: Madam Speaker, I have to compliment my colleague for the best question I have received.

First, this is based on the many years of experience of our auto manufacturers and importers running vehicles on Canadian gasoline with MMT in it. The sparkplug point is based on experience over that period of time. However they have been forced to do this by the development of the new onboard diagnostic systems. In the same way we monitor the speed of the vehicle or how much gasoline there is in the tank, we can now monitor what emissions are going from the exhaust pipe. Those onboard diagnostic systems are a new, very expensive, exciting innovation in the automobile industry. They have been coming along for some years but in the 1996 models they are particularly sophisticated and expensive and that is what is forcing the issue at the present time.

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, a point of order.

The hon. member referred to some studies that included all vehicles in Canada. I wonder if he is willing to table those studies so we can all take a look at them. I am not aware of them and it is very important for the House to have that material available so we can examine the evidence.

• (1700)

Mr. Adams: Madam Speaker, I suspect technically the question is out of order, but I am glad to reply.

I was referring to the experience of Canadian manufacturers over many years and to their monitoring of vehicles. That information is readily available from manufacturers.

Mr. Chatters: You said scientific tests.

The Acting Speaker (Mrs. Maheu): For a member to deposit papers with the Chair there must be unanimous consent.

Mr. Strahl: Madam Speaker, I rise on a point of order. The member for Peterborough mentioned prior to the last intervention that he thought the previous question was the best one of the day. I thought mine was the best one of the day.

The Acting Speaker (Mrs. Maheu): I am sorry but that is not a point of order and the time has expired.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, I welcome this second opportunity to speak to Bill C-94, a bill that as you can see is extremely technical and extremely controversial.

Perhaps I may remind our listeners that the purpose of this bill is to prohibit the use of the product MMT in the production of gasoline. Technically, MMT is currently used to shorten the refining process and the time it takes to reach the octane level the oil companies want. Removing MMT will mean the oil companies will have to use a longer refining cycle. The product is a manganese-based additive that has been used in practically all unleaded gasoline in Canada since 1977.

There are a number of issues at stake here which we should examine very closely. First of all, we have the automobile manufacturers' lobby which, as was pointed out earlier—and most of our colleagues did so—supports the minister's bill. They claim that the MMT in gasoline will clog and cause malfunctions in the so-called OBD II anti-pollution devices that will be installed in cars very shortly, and this is already the case for 1996 models. MMT would be indirectly harmful to the environment, because if the OBD II anti-pollution device does not work properly, cars will pollute more than they should, since with this device they would otherwise run very efficiently.

So MMT is not in itself harmful but, according to automobile manufacturers, it would indirectly harm the environment by impeding the effectiveness of a device installed in automobiles to control pollution.

According to a press release issued by the Canadian Automobile Association on June 12 this year, in 1996 all cars sold in the United States will have to be fitted with a new kind of detection device. This "green" mechanism will ensure that the vehicle's anti-pollution devices remain fully effective over the years. However, if gasoline sold in Canada still contains MMT, these new devices will not function properly, as tests have proven.

I will continue this text later on, but I just want to say that like my Reform Party friends, I also more or less joined in the demonstration given by automobile manufacturers of the tests they had done. I thought it was rather inconclusive, and I have the same reservations as the Reform member for Athabasca who referred to the spark plugs he had examined. I was not convinced by this demonstration.

Second, we asked, and my Reform colleagues are now asking for more serious tests to be tabled in the House, and they have a very good reason for doing so, because we have seen no serious tests to prove these allegations, and I do not think we will.

According to the text provided by the automobile manufacturers, they have decided not to make this new equipment available

to Canadians if we continue to add MMT to gasoline. In the final analysis, Canadians will be the ones to suffer, both economically and environmentally, because their vehicles will pollute more than anyone else's.

• (1705)

On the other hand, last spring, I demonstrated to this House that it would be in the interest of the major oil companies primarily if this bill were not passed. They in fact allege that MMT permits gasoline to be produced with a significant reduction in environmental costs at the refining stage. We can readily imagine this: longer refining without the MMT additive means more pollution from the process.

If we believe the figures given my office by the Canadian Petroleum Products Institute, these environmental costs should go up by at least $50 million at the refining stage for these companies.

According to representatives from the oil industry as well, MMT requires less intensive treatment, which means less carbon dioxide, nitrous oxide, carbon monoxide and sulphur dioxide from the stacks of plants producing gasoline. Furthermore, MMT allows refineries to reduce the aromatic cycles of gasolines and thus benzene emissions.

The Canadian Petroleum Products Institute also mentioned that, according to its members, the decision to prohibit the addition of MMT to gasoline must be made on a sound scientific basis, and this is the request being made. They therefore examined MMT from three standpoints: the environment, health and its actual effect on car emission systems.

From an environmental standpoint, according to the companies, the addition of MMT clearly protects the environment. It cuts nitrous oxide emissions by between 15 and 20 per cent, thus cutting smog in cities. There is complete agreement on this point in both Canada and the United States.

From a health standpoint, here in Canada, Health and Welfare Canada has published two reports indicating that MMT in gasoline represents no health risk for Canadians. In the United States, a very decisive decision by the court of appeal confirms it.

Thirdly, from a vehicle emission control standpoint, the United States environmental protection agency has always maintained there was not the slightest evidence that MMT had any damaging effect on the equipment.

So we can understand, when we contemplate the issue before us, in connection with Bill C–94, that, regardless of the fate of the bill, Canada's pollution levels will inevitably increase. We are therefore not faced with a choice between good and evil, we really have to choose between two evils, if I may put it that way. If we remove MMT, the production of gasoline will cause more pollution; if we keep MMT, and if indeed it does inhibit the functioning of vehicle anti pollution devices, we will also increase pollution.

So we are faced with two cases of increased pollution. The question is to decide logically and scientifically which is the better choice. It seems to me that the Minister of the Environment is not usually supposed to choose solutions that increase pollution; it should be the other way around.

Under the circumstances, what is leading the Minister of the Environment to actually decide which of the two solutions is less polluting? The answer to that is: nothing. When you really look at the issue, it does not matter whether you are the petroleum industry, the members of the Reform Party or the Bloc, it is clear that there are no basically independent and scientific data to provide the proof.

We only have to look at what happened with this in the United States to be convinced. On October 20, the United States appeal court for the District of Columbia—we quoted from the text in second reading, I think—decided to oblige the United States environmental protection agency to register MMT as an additive for unleaded gasoline. To date, the EPA has refused. In its decision, the court stated:

[*English*]

"On November 30, 1993 the EPA found that MMT had no adverse effects on automobile emission control systems".

[*Translation*]

Of course, we looked at what we had before us at the time. It does not mean that more detailed studies would not prove the opposite, but studies showed that MMT had no real effect. The EPA recognized de facto that MMT did not have a harmful effect on antipollution systems according to the tests which were done before them at the time.

• (1710)

I submit to this House that the Minister of the Environment is supposed to be aware of these facts since—as her Quebec counterpart and our friends from the Reform Party pointed out earlier—several provinces, including Quebec, are now moving in the direction advocated by Reform members. As my colleague from the Reform Party mentioned, the Government of Quebec did send the minister a letter clearly explaining in detail its position on this matter.

The ruling by the U.S. Court of Appeal I just referred to goes on to say, and I quote:

[*English*]

"For purposes of the resubmitted application EPA determined Ethyl had demonstrated that use of MMT at the specified concentration will not cause or contribute to a failure of any

emission control device or system to achieve compliance with the emission standards".

[*Translation*]

The few tests that were done and submitted to the court show no effects. And we have not heard of any tests that would point to a different conclusion.

It is therefore increasingly evident that MMT will be reintroduced in the making of gas in the U.S.; in any case, there is a chance that it will be. Yet, the Minister of the Environment spends her time in this House talking about harmonizing Canada's environmental decisions with those made in the U.S. and elsewhere in the world. Under the circumstances, by proposing and defending Bill C–94, the Minister of the Environment is contradicting herself somewhat because if we ban MMT and if the U.S. approves this additive within a year, we will then have to reharmonize all these decisions.

The bottom line is that if independent scientific tests showed conclusively that MMT is harmful, I think the House would vote unanimously to ban MMT. But not enough tests have been done.

Given these facts, we have a right to question the environment minister's real motives in introducing this bill and trying to ram it through.

On the one hand, it is obvious that the minister is trying to accommodate the interests of the powerful Canadian automobile manufacturers' lobby which happen to be located for the most part in her riding. On the other hand, the hike in gasoline prices resulting from this legislation, if passed, might prompt many consumers to try alternative fuels, such as ethanol, whose major producers also happen to be in the Hamilton area.

If this interpretation is not accurate, then there is only one explanation. Quite simply, the minister is doing, with respect to the MMT issue, the same thing she did about the *Irving Whale*: she is improvising. Members will recall that, on many occasions in dealing with the latter issue—and I will not dwell on this either—the minister has shown that she was not qualified to deal with the situation.

I suggest that, then too, the minister claimed to have at hand a load of studies which enabled her to send all other stakeholders about their business, at the risk of causing an environmental disaster. We know what this lead to: $12 million were spent for absolutely nothing, to refloat a ship that is still sitting on the bottom of the river. And these $12 million are coming out of the taxpayers' pockets, and not the Irving's pockets. The problem still remains unsolved as we speak. This ship is leaking and Greenpeace is about to get involved. Nothing has been settled. The whole thing will have to be done all over again. What we are requesting are studies to tell us what is the best way of going about this.

We are confronted with a similar situation in Bill C–94. In order to avoid an environmental disaster, you have to do a minimum of scientific studies to assess the environmental impact of the contemplated measures. Otherwise, you are merely improvising.

As regards the environmental impact studies on MMT, it is increasingly obvious that the rigour of these studies leaves something to be desired. Under the circumstances, I agree with the hon. member for Laurentides, who spoke on this issue yesterday and asked that the bill be deferred to a later date, when more comprehensive studies can establish beyond a reasonable doubt whether or not the addition of MMT to gas creates a dangerous source of pollution.

• (1715)

The provinces pretty well agree that we should wait a little and do the required studies before making a final decision. I am talking here about independent scientific studies which would be public in nature.

Oil companies also support that position. They have been telling us from the beginning: "If there is conclusive evidence that the use of MMT in automobiles is harmful, we will change our whole system". We should wait, as pointed out by our Reform Party colleagues, for the results of the tests being conducted in the United States, before making a decision.

For all these reasons, we feel that we do not have all the required information to make an informed decision. Consequently, we will not support this bill.

[*English*]

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, my good friend from the Bloc made some good points. The jury is still out and the evolution of fuels will continue. We have taken lead out of fuels. We can look at the MMT situation. We have to look at our colleagues in California. The member for Peterborough was right. They are leaders in this field.

I will be speaking to this bill and directly concerning the onboard diagnostic equipment. Vehicles have new onboard diagnostic equipment systems. They are monitoring devices which feed back to the engine to make the engine control the emissions. Coming out of the tailpipe are oxides of nitrogen, unburned hydrocarbons, oil, carbon and water. Every time one gallon of gasoline is burned it produces one gallon of water. If we look at the tailpipe of any vehicle we will see water coming out of it. The use of a three way catalytic converter can control a lot of these things.

The Deputy Speaker: The hon. member is the next speaker. He is certainly entitled to use up the time for questions or comments if he wishes, but he is the next speaker on debate.

Mr. Jackson: Mr. Speaker, I have more of a comment than a question. I understand what the hon. member is saying but there is a point to be made about the onboard diagnostic equipment

systems in cars because they could counteract the effects of what comes out of the tailpipe.

[*Translation*]

Mr. Pomerleau: Mr. Speaker, how appropriate. I went to California during the summer break and I was able to see, as the Liberal member pointed out, how terrible the smog situation is in that state, whose population is as large as the whole population of Canada.

What we are saying is that, to the best of our knowledge, there is no scientific evidence to back up what is implied in this bill, which is that MMT will in fact damage the pollution control system. If indeed California has made its choices a long time ago, it must have relied on some kind of test, and not only on vague ideas. If we could have access to these tests, we would readily admit that we have to ban the use of MMT in gasoline. Passing this bill is not a matter of principle, but a matter of pollution.

If the use of MMT is banned, I know some people believe that it will be replaced by ethanol, but the oil companies have clearly stated that they would not use ethanol as a substitute for MMT. Instead of using MMT, they would require a more enhanced and a longer refining process.

This would automatically lead to an increase in pollution. We are faced with two options: if we ban the use of MMT, we increase pollution due to the gasoline refining process, but, according to the auto industry, if we do not ban the use of MMT, we will damage the pollution control equipment, which will also lead to an increase in pollution.

If we could have some concrete evidence, we would be in a better position to make up our minds and vote immediately on this issue. But we do not have any scientific data, which is why we stand by the position we have taken.

[*English*]

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, it is a pleasure to speak about the environment. In the natural environment everything is related to everything else. Looking at the hydrostatic cycle for instance, when water evaporates and goes up in the atmosphere, it mixes with all kinds of contaminants and then comes back to earth.

● (1720)

Photochemical smog is caused by the reaction of sunlight with nitrogen oxide, particularly in Los Angeles which is in a valley. Los Angeles is a good example because it has more cars than any other place. I am not sure exactly why it does not have any mass transit systems. I have visited Los Angeles quite often and I know the damage to the environment is bad. It is broadcast over the radio every day that there is eye irritation from smog, or that people with respiratory problems should stay off the streets.

I am going to address the onboard diagnostic equipment. Most members probably do not have the technical knowledge I have. I understand what they are saying about MMT, that an infinitesimal amount of nitrogen oxide will be emitted. However, I make the case that it could be controlled by installing devices on the vehicles.

I will begin by speaking about what happens in a car. A person gets in a car which uses gasoline and turns it on. Gasoline has potential energy of 19,000 British thermal units per pound or per pint, depending on the kind it is. The gasoline is control burned in a vehicle resulting in pressure, forcing a piston down, turning the crankshaft, making a circular motion to the power take–off to drive the wheels which propel the vehicle along the road.

In a four stroke cycle engine the air comes into the engine through an intake manifold with the intake valve and opens the piston moving down to the bottom of the cylinder, causing a vacuum in the cylinder. Injectors in this case, or if it is a carburetted engine a venturi effect would cause aspirated air in a stoichiometric ratio, which is about 14 parts of air to one part of gasoline by weight, or 9,000 parts of air to one part of gasoline by volume. That is what the computer will try to monitor by what is called a map sensor. Placed somewhere in the intake system of the vehicle is a piece of foil which takes a certain amount of temperature. That foil knows exactly the volume of air which is going into the engine. The injectors are monitored by a computer which says: "I have this amount of cubic feet of air. Give me this amount of gasoline".

During deceleration periods, for instance on old carburetted engines coming down the hill with the throttle closed, a very large vacuum is created and the gasoline gets very rich. Those kinds of cars create a lot of pollution. On a modern car the system shuts off completely because of the onboard diagnostic system. There is absolutely no gasoline getting in, so it works quite well.

On the intake stroke, the piston moves down and the cylinder is charged. The next stroke is the compression stroke. Both valves are closed, the piston moves up and it compresses the thing to about a tenth of its value. Because we are trying to get rid of nitrogen oxide, we have had to lower the compression ratio of engines. By lowering the compression ratio and bringing the temperature up, we can control nitrogen oxide as well.

The piston comes up and compresses the gas to 10 per cent of its original volume. A sparkplug triggers it at a particular time. The timing is changed depending on the rate of speed in order to ensure that when the actual expansion of the gasoline occurs, when the pressure builds up, it reaches a certain angle on the crank. If it happens before or after, the engine fights against

itself and it actually loses its power. The sparkplug is triggered to fire at a precise time, again by a computer.

The process takes place very quickly. An engine running at 4,000 RPM has 2,000 power strokes per RPM. If we divide that by 60, we will get about 33 sparks per second. The process would last for maybe one–thirtieth of a second. We can see the process happening very quickly. What happens is that all of that stuff escapes and goes into the exhaust system. It has to be monitored by a three-way muffler, which I will talk about in a minute.

The last stroke is the exhaust stroke. The piston moves from the bottom to the centre, coming up with the intake valve closed and the exhaust valve open. The piston pushes the exhaust gases out of the tailpipe.

In the tailpipe there is a catalytic converter. In that catalytic converter is rhodium. Rhodium actually removes oxygen. There is platinum and palladium. Palladium actually adds oxygen. If we had H_2 coming out and we wanted to change it to something else, we would add O. We could add O by using an air pump, which is seen on some cars, or we could add O by using a computer triggered diverter to pass the exhaust gases over the platinum, adding oxygen, and now we would have H_2O. We have two sets of oxygen instead of one, which changes it into water. If we have CO, for instance, which is carbon monoxide and we want to change it to harmless carbon dioxide, we add O and get CO_2. We have two Os.

• (1725)

This is what the diagnostic pieces of equipment are doing. These speak in hertz. They go back and forth and report to the computer exactly what is happening. If there is a knock in the engine, then the computer knows and it will trigger the spark and retard or advance the spark.

If the contaminants coming from the tailpipe are one thing or another, the oxygen sensor in this particular case will pick it up, tell the computer it is getting too many hydrocarbons and the computer will tell the injector to shut off. That is what we are talking about when we talk about onboard diagnostics.

In the onboard diagnostics, there are things like an EGR valve. An EGR valve is used particularly to control nitrogen oxide. As I have said before, nitrogen oxide is the thing we talk about a lot. We say it is the main smog producer.

One of the ways manufacturers get rid of nitrogen oxide is by using exhaust gas recirculation. The unburned gas out of the engine is recycled back through some mechanisms inside the engine and is burned again. The effect of burning it with the rest of the fuel that is in the engine drops the combustion chamber temperature. By dropping the combustion chamber temperature, it reduces the oxides of nitrogen.

The NOx is also reduced from earlier emissions by using a heat stove. You might have seen on cars where there is an intake manifold and there is actually a heat stove. The heat stove allows either hot air to come off the exhaust pipe directly into the engine or it may mix. At some point in time hot air comes up past the exhaust pipe because it gets some heat off of it and some of it comes in through the snorkel. The two are mixed before the air gets into the engine. On a cold engine it makes the engine warm up very quickly.

On modern cars, the onboard diagnostics trigger what is called an open loop system. Most everyone knows that when you get in a car, you do not pump the gas and do all those kinds of things we did with older cars which had carburettors on them. The reason we do not do that is that the computer and the onboard diagnostics monitor everything. It monitors the temperature. It knows if the engine is cold. If you come out and it is minus 20 degrees, it knows that the crankshaft is not turning because it is not picking up any RPM due to a magnetic device which is triggering it.

The oxygen sensor indicates it has oxygen and the computer reports back in hertz very quickly, the same as brand new computers here, where the speed gets quicker. On these cars the onboard diagnostics are getting very, very quick in corresponding with one another. That is why there is talk about the effects of this onboard diagnostics system.

Imagine an exhaust sensor for instance in the exhaust system. If certain kinds of additives are used in the gasoline and it catches and interferes with the way it records or sends the information back to the computer, it would affect the way the car works. Of course, if it affects it then it triggers other things. What would happen is we would actually get more pollution than if we were using MMT because the thing is not working right.

The onboard diagnostic equipment is very important to us. Onboard diagnostic equipment must be added to cars.

I recently purchased a new car and I have a book here to monitor it. We have to closely monitor the new equipment. Instead of miles per gallon we are getting litres per kilometre. We have to get the amount of kilometres and divide it by 100. For instance, on my new car I am getting about 10.5 litres per 100 kilometres, which is about 27 miles to the gallon. If I am getting 8.5 litres per 100 kilometres, I am getting something like 33 miles per gallon.

We will find that the new vehicles are more fuel efficient than the old ones. The consumer will benefit with onboard diagnostic equipment. Canadians need to have the onboard diagnostic equipment. We do have this argument with fuels, but that argument should be between the automotive manufacturers and the fuel companies, and not this House.

[*Translation*]

The Deputy Speaker: It being 5.30 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INTERVENOR FUNDING ACT

The House resumed consideration from November 1 of the motion that Bill C–339, an act to provide for funding of intervenors in hearings before certain boards and agencies, be now read the second time and referred to a committee.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I am pleased to participate in the debate on second reading of Bill C–339, standing in the name of the hon. member for Oxford.

This bill, which is quite straightforward, establishes the principle that a proponent of a project that requires review and approval should assist with funding for interveners who would like to be heard. The hon. member for Oxford suggests adopting the principle that the proponent pays.

On the face of it, we would support the principle of funding groups that want to participate in public hearings, because often, groups that represent less advantaged people in our society cannot afford to go and put forward their views and their interests or pay for scientific studies or even for the transportation to get to the hearings.

Consider the studies required in the far North, for instance, where interveners lack the financial resources to travel, pay for accommodations, and so forth, when defending the interests of the people they represent.

We have seen in the past citizens who were at a distinct disadvantage because they did not have the same resources as large businesses or developers to defend their interests. In fact, these businesses and developers can afford to pay lobbyists on a regular basis to push their projects ahead, while small groups that are not as organized and are not supported by the big guys are always looking for financial support.

In other words, we do support the principle that proponents pay for the administrative costs related to the reviews. However, after examining this bill more thoroughly, we realize it has a much broader scope than it purports and offers few guarantees for the arm's length nature of the process it proposes.

First of all, we should realize that this bill will create funding committees. Some public organizations already have a funding option. One example is the Environmental Assessment Agency established by Bill C–56, which provides for a sort of funding from the government.

How will the new funding panel work with the assessment agency? Naturally the government could save money by having the proponents pay, but why not simply amend Bill C–56 to include the concept of "funding proponent"?

We have to ask ourselves whether the panels proposed in Bill C–339 are not another layer of administrative structures and duplication within the federal system. We can also see in this bill the danger of federal interference in provincial jurisdiction. For example, in Bill C–56, the Environmental Assessment Act, the federal government is clearly meddling in provincial affairs. We could therefore end up with projects assessed by both levels of government with proponents having to pay twice to fund various interveners.

I do not suppose proponents are interested in this costly duplication, which, moreover, delays the whole process of project approval. It is an obvious hinderance and has an impact on our economy and on job creation.

I would now like to consider the independence of the funding panels. According to subclause 4(2), a review authority that receives an application from an intervener for intervener funding shall appoint a funding panel from its membership.

To my mind, this provision reveals that the funding panel is clearly not independent of the review authority. Indeed, what happens when the authority assigned to review a project comes under the authority of a department that is the project promoter?

The best example is doubtless the case of the refloating of the *Irving Whale*. Do you think that SVP, the Société pour vaincre la pollution and RMPG, the Regroupement madelinot pour la protection du golfe, could get funding through this bill? I have very strong doubts.

• (1735)

People who will be appointed to the funding panel under the authority of the Minister of the Environment will certainly be under pressure from that same minister not to give groups such as the SVP and the RMPG, which are strongly opposed to her project, an opportunity to be heard.

In other words, I believe that the government will have the power to choose which groups it is willing to listen to, and it will be able to reject those groups that do not share its views.

Transparency and independence are lacking in this bill. The concept of funding proponent is good, but the process proposed in this bill is flawed. Therefore, the bill does not achieve its ultimate goal.

About this process, it is worth noting that it appears to be rather cumbersome and complicated. For one thing, the funding panel will have to determine if the intervener is eligible for funding, and from what we can read in clause 4, the least we can say is that interveners will be scrutinized. Also, the bill provides for an appeal process to the review authority and ultimately to

the Federal Court of Canada if the proponents and the interveners are not satisfied with the funding panel's decisions.

Knowing full well how slow bureaucracy can be, I am sure that some interveners will be left high and dry. Projects will be completed and interveners will still be waiting for the outcome of the appeal process. The same goes for the proponent. In fact, I wonder if projects will be allowed to proceed during the appeal process. I would like the member for Oxford to answer this question.

Finally, we think that this bill contains good ideas and that the principle on which it is based is innovative, but it has serious flaws.

Bill C–339 is off the mark.

[*English*]

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I am pleased to rise today in support of Bill C–339, an act to provide for funding for intervenors in hearings before certain boards and agencies.

I think we all know that politicians at all levels of government are suffering from a serious lack of credibility right now. People feel politicians are not listening to what they have to say and are refusing to tackle the very real concerns that touch their daily lives. They have the perception that government is selling out to the interests of big business. It may well be they are right, but for the wrong reasons. It may well be that the voices of the people are not being heard in many instances because they just do not have the funds to travel across the country to make their views known. They just do not have the money to hire lawyers, experts, researchers, and writers to present their point of view. The interests of the little guy are in fact getting lost in the shuffle.

Over and over people have been saying that they want to have an input into government decision making. We, as a government, have told them that we agree. However, as the Minister of the Environment said during the debate on the Canadian Environmental Assessment Act, "It is one thing to say that people have a say; it is another thing to give them the tools to exercise their right."

Bill C–339 addresses this problem in a concrete way. By ensuring funding, it provides the tools necessary for the average citizen, regardless of his or her financial assets, to be heard in the decision–making process. Intervenor funding will assure the public that those with a valid interest will be heard at future hearings and that the public will have input into government decisions.

It is important to note that in drafting this excellent piece of legislation the member for Oxford was able to draw upon legislation that already exists in the province of Ontario. He was not reinventing the wheel. The Ontario government proclaimed the Intervenor Funding Project Act in 1989 as a three–year pilot project. In 1992 the province of Ontario conducted a review of the Intervenor Funding Project Act. This review, entitled "Access and Impact: An Evaluation of the Intervenor Funding Project Act, 1988", showed broad support for the objectives of the legislation. The project was extended to the spring of 1996. I would like to quote from this report, as I think the experience in the province of Ontario is very close to that in the entire country:

> The manner in which many administrative decisions were made in the 1960s and 1970s excluded members of the public, even though many decisions were required to be made in the public interest.

• (1740)

Too often, agencies and tribunals were only presented with the view of the regulated industry or the applicant for an approval. As agencies are now faced with a bewildering array of social, economic and moral questions, a critical view is that excluding diverse interests is no longer appropriate.

Increasing public access to administrative decision making is important for several reasons, first of which is fairness. Decisions regulating the conduct of businesses affect small or large segments of the public. Sometimes individuals are financially affected, each to a small degree, as with telephone or utility rates. Sometimes an individual's health and well–being are affected, as with environmental and food and drug regulation. In principle, if people are affected by decisions they should have the right to be heard.

Second is quality of decisions. Where regulatory decisions affect the public and are required to be made in the public interest the quality of those decisions is improved when members of the affected public participate. They apprise the tribunal of facts that might not otherwise come to its attention. They assert different perspectives and opinions about the consequences of the decision to counter the assertions of the regulated industry. In this way the tribunal gains a better understanding of the range of dimensions of the public interest it is charged with serving. Better decisions result.

Third is accountability. When members of the public participate in administrative decisions they gain an understanding of the balance that is struck between competing interests in reaching a decision. This process improves the accountability of the decision–maker and legitimizes the decisions for those who participate.

I believe these statements fairly sum up the reasons in favour of the bill.

During earlier debate there was some question of the fairness of requiring a private company to finance the group that may kill its application as well as some question of what would happen if the company were financially unable to fund the interveners. Again I would like to quote from the access and impact study:

> We believe that more effective monitoring of the costs and benefits of the process will be achieved if those who are the focus of these decisions, the proponents, are made to bear the costs. It is they who are the centrepiece of the regulated activity. A critical aspect of that role requires effective participation by other interests while ensuring that participation is responsible.

I think it is obvious that a proponent who has to pay for this intervention will suddenly realize that consultation and co–operation and compromise are in his or her best interest, thus reducing or even eliminating the need for the intervention and confrontation.

I urge all members to support this legislation.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, it gives me pleasure to speak today on Bill C–339, an act to provide for the funding of interveners in hearings before certain boards and agencies.

The bill introduced by the member for Oxford raises an issue of extreme importance to the House. The issue of intervenor funding is of great interest to all elected officials. Parliamentarians are the first to recognize that public participation is fundamental to any meaningful consultative process. I believe that organizations that represent a relevant public interest should be able to participate in review processes.

The question that does need to be answered is how do we fund citizens whose views should be brought forth.

• (1745)

It would be useful to the debate to look at an intervenor funding program at work today. I will take a slightly different approach from other speakers on this subject and refer to the federal environmental assessment process which has included a participant funding program since 1991. The need for such a program was identified many years before.

The 1987 white paper on the reform of the federal environmental review process addressed the need and proposed the establishment of a participant funding program. In national consultations carried out as part of the above reform some funding was made available by the previous government. The funds were administered by the federal environmental assessment review office and were provided to participants in the activities of federal or joint panels reviewing such projects as the Sainte–Marguerite hydroelectric development project and the Vancouver airport.

The environmental assessment of large projects subject to public hearings is very complex and often results in several volumes of technical information. We therefore cannot expect informed public participation unless the groups representing the citizens directly affected by the projects have access to funding. Participation in the environmental assessment process requires staff and technical resources for analysing reports, drafting the response, preparing briefs and presenting these views at public hearings.

The participant funding program established in 1991 did not guarantee intervenor funding for all environmental assessments. This was not considered to be fair so the government recognized the flaw and created a statutory obligation to do so as promised in the Liberal Party's red book. Our government listened carefully to many Canadians who indicated that intervenor funding if carefully administered adds value to the environmental assessment process.

Accordingly the Minister of the Environment in Bill C–56, an act to amend the Canadian Environmental Assessment Act, put forward as a key amendment a legally entrenched participant funding program that ensures interested individuals and groups have the resources they require to participate effectively in the process. As a result the Canadian Environmental Assessment Act now recognizes intervenor funding as an integral component of the assessment process and creates a statutory obligation to establish a funding program for that purpose.

The Minister of the Environment deserves much credit for making this amendment among others to the Canadian Environmental Assessment Act. The legal provision for intervenor funding goes hand in hand with other elements of the environmental assessment process which recognize the importance of public participation. These include the provision of numerous opportunities for public involvement at various stages of the assessment process and the creation of a public registry through which interested persons can have access to documents relating to all current assessments of the environment, both federal and joint federal–provincial.

The participant funding program presently administered by the Canadian Environmental Assessment Agency has many different uses and criteria because public input is crucial and should not be frivolous. The present program makes funds available for different stages of the environmental assessment process. It outlines exactly who is eligible and it describes what kind of activities will be funded. The program is funded over a six–year period and is made up of funds allocated by the federal government.

Bill C–339 brings forward an aspect of intervenor funding that is of increasing importance: who should pay for public participation in environmental assessment. The debate on the issue is diverse in its opinions. There are those who support the proponent pays principle. Others suggest that any more cost to development would be the straw that breaks the camel's back. Others point to the ability to pay based on small versus large size businesses. Many will point out it is unthinkable that taxpayers foot the bill for those who will reap profits. There are diverse opinions in the harmonization of federal–provincial environmental assessment processes. It is certain there is no simple answer or easy direction.

• (1750)

The government has recognized the need to look carefully at process efficiency as well as at all related expenditures. The Minister of the Environment is responding to this need. In last year's budget the Minister of Finance announced a special initiative:

> The Minister of the Environment will develop, in consultation with concerned ministers, provinces and stakeholders, proposals for recovering costs attributable to environmental assessment as well as options for streamlining procedures and time lines for the environmental assessment process.

That is very clear. Since then the Canadian Environmental Assessment Agency has been developing the options in consultation with stakeholders.

What I have just said is a fair mouthful with respect to an environmental assessment process. It has brought in some of the factors that have to be considered in looking at a bill of this import, of this initiative and of this way of looking at how we do things with respect to public intervention, public interest and public hearings.

It has always been a policy of the Liberal government to involve the public. The best example I could give of that is the recent special standing committee on Canada's defence policy where policy was formed from the bottom up. Previously, to my knowledge, it was always done from the top down. The public process in formulating the white paper on defence was very important to this party and is why we did it that way.

Returning to the subject at hand in Bill C–339, if we are looking at cost recovery with respect to public participation, it is obvious that any successful initiative will have to contain certain process efficiency elements. If we are to ask proponents to assume certain costs we must be able to commit to efficiency of process. If individuals or organizations are to pay the cost of public participation surely they must receive some guarantee that there will be a certainty of process.

I have spoken long enough to make the point I wanted to make on the bill. I have used the example of a recent system that is in operation. There are still some questions to be answered. However in looking at Bill C–339 some of the proposals put forward and some of the examples used could be used in the model. The concerns are being addressed and we look forward to the options that will be presented.

Bill C–339 contributes very positively to the debate on public participation by recognizing these concerns. However I caution that we should wait for the completion of the government process I have just described before we proceed, as we say in the navy, at full speed ahead.

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, it is a pleasure to rise in the House in support of Bill C–339 sponsored by the hon. member for Oxford.

In so doing I need to address the question of exactly what is meant by intervenor funding. I would characterize intervenor funding as up front funding to assist Canadians before they participate in a process to assist Canadians who have real interests in matters of public concern before a board, commission or an agency.

One needs to reflect on the question of who should receive such intervenor funding. The strongest argument can be made that such funds should be available to landowners first and foremost, to people whose properties are impacted by a decision of government and who have every right and responsibility on behalf of their families to participate in a decision by this government or by any government. They have the right to participate to make sure the best possible decision is made and that their rights as property owners and as Canadians are respected.

• (1755)

My colleague has previously spoken about making sure we do not fund frivolous objections. I would certainly support that. All too often people are quick to make frivolous objections and want to intervene in the process. I would not support funding for those kinds of objectors, but certainly there are many legitimate concerns that need to be raised by Canadians and we ought to fund such individuals.

The funding needs to be up front. People need to know they will have an opportunity to hire counsel and various other experts to assist them in their presentations. They need to know that before the fact and not after the fact. To me it really is not legitimate intervenor funding and proper if it is not guaranteed to people up front.

In supporting the bill I do so with some firsthand involvement in the process. As the member of Parliament for London—Middlesex and as the chair of the southwestern Ontario Liberal caucus, and as my colleague for Oxford well knows, I have been directly involved along with him and other members in our region in issues of this type in southwestern Ontario.

We have had several instances of the building of interprovincial pipelines through our region which have involved the public in protracted disputes, the most recent one before the National Energy Board. Landowners are laying out thousands of dollars of their own money having to organize themselves without the help of counsel unless they pay for such counsel. Why? It is because a company wishes to use their lands supposedly for the public good but certainly for the good of the company. Yet the people involved have to make sure their rights are respected.

In the latest example the people went before the National Energy Board some months ago and won the argument they put forward. They made a very good case. Yet the whole question of funding is up in the air for these people and we need to address that.

Perhaps the biggest inequity is that in Ontario there are two sets of rules where landowners are concerned. The first set of rules comes under the provincial government. If a pipeline comes under provincial jurisdiction such landowners are guaranteed that they will have funding provided to them under the provincial rules. However, if the pipeline involved comes under federal jurisdiction there is no such guarantee. It is a very clear and obvious inequity.

In the case of some of my constituents, farmers have two pipelines on their land barely feet apart, one coming under provincial jurisdiction and one coming under federal jurisdiction. When they are involved in hearings before the National Energy Board or other agencies or commissions, they are funded when they go to provincial hearings but are not funded when they go to federal hearings. This seems patently unfair and certainly an inequitable situation that our government needs to address.

I fully support my colleague from Oxford and his Bill C–339. As a Liberal I believe it is the role of government to ensure the little guy has full opportunity to participate on a level playing field with big corporations in society. We have to do everything possible to facilitate that.

It is not enough to say to people that they can appear before the National Energy Board and argue for their rights as citizens. It is simply not enough to do that if they do not have the means to do so, if they do not have the wherewithal to make that presentation. That means funding and that is why I fully support the bill. I think the member is on the right track. The government needs to make sure the playing field is level, that this inequity is addressed and that a landowner, particularly in the province of Ontario, does not have to play under two different sets of rules. The only way we can ensure that is to have meaningful, up front, intervenor funding available to serious Canadians, certainly landowners, who have a legitimate concern and who want to argue that concern before whatever board, commission or agency.

• (1800)

I fully support the bill and applaud my colleague for bringing it forward. I hope the bill will pass.

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, it is my privilege to speak on Bill C–339 as introduced by my colleague representing the riding of Oxford. I take this opportunity to congratulate and thank my colleague for the great amount of work and research he has put into Bill C–339. He truly has done a marvellous job.

The primary objective of this legislation is to give all of those who speak in the public interest the opportunity to be heard before federal boards and agencies. Federal boards and agencies will make better decisions with a higher level of public input, consultation and participation. Bill C–339 is designed to assist those with bona fide concerns. It is not meant to provide funding for special interest groups. It is in the interest of each of us for the public interest to be heard. Bill C–339 will ensure the public interest is heard.

Bill C–339 is modelled after the intervenor funding act in the province of Ontario. The bill establishes the principle that a proponent of a project that requires approval by a federal board or agency should financially assist those who are intervening in the public interest before the board. The bill allows intervenors to put forward their perspective in a way which would allow the board to make a decision having the best information available.

This intervenor funding act will be a significant step forward for groups speaking in the public interest that do not have funds available to make an adequate representation in a highly technical age.

Before receiving funding, intervenors will need to meet the following criteria. First, that the intervenor represents a clearly ascertainable interest that is relevant to the issue before the review authority and that should be represented at the hearing. Second, that the intervenor does not have sufficient financial resources to make a representation without funding. Third, that the intervenor has made reasonable efforts to obtain funding from other sources.

Fourth, that the intervenor has established a record of concern for a commitment to the interest. Fifth, that the intervenor has made reasonable efforts to co–operate with other intervenors who represent similar interests. Sixth, the absence of funding would adversely affect the representation of that interest.

Seventh, the intervenor has a proposal that specifies the use to which funding would be put, has the ability to record the expenditure of the funding and has agreed to submit an accounting to the panel for the expenditure and allow the panel to examine its records to verify the accounting. In other words, the funding would be used to help balance the playing field between those with money, with resources, and those without. It would add an element of accountability for government funds.

Intervenor funding is not a new concept in our country. The province of Ontario currently has an intervenor funding project act which has served as the model for this legislation. The Ontario act was in turn modelled on the funding provided for the intervenors before the Mackenzie Valley pipeline inquiry, known as the Berger commission, in the mid–1970s.

This commission, charged with the duty of investigating the appropriateness of a pipeline through the Mackenzie valley in the Northwest Territories, determined that many diverse interests in the region should be represented at the hearing. In order to compete with the finances available to the proponents of the pipeline, money had to be provided to the citizens groups.

Environmental groups and native representatives obtained funding in order to present their views on how the pipeline would affect their interests. Without funding it would have been difficult for the intervenors to retain technical and legal experts for the purposes of putting forward testimony on how the public would affect environmental and native interests in the north.

The commission made clear that intervenors would have to show that absence of funding would adversely affect the quality of their presentations. This burden is placed on intervenors in this legislation who must appear before a funding panel for approval.

While funding from the Berger commission was provided by the federal government, Bill C–339 does not call on the Canadian taxpayer to provide funding for intervenors. Instead, the proponent of the project will provide the funding. Clearly if the proponent is required to bear the cost of interventions they are more likely to work with potential intervenors to find a solution before going before the board or agency. The Ontario experience has shown the effectiveness of this method of funding.

• (1805)

This bill is important because it is in the interest of all of us that the public interest be heard. Federal boards and agencies will be able to make better decisions based on a higher level of public access and consultation.

Bill C–339 is designed to assist those bona fide concerns. It is not meant to provide funding for special interest groups. I urge all members to support Bill C–339.

[*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 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.

Some hon. members: On division.

The Deputy Speaker: I declare the motion adopted. Consequently, the bill is referred to the Standing Committee on Natural Resources.

(Motion agreed to, bill read the second time and referred to a committee.)

The Deputy Speaker: Is it agreed to call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, this motion refers to a question I put to the Minister of Human Resources Development on Bill C–96, which seeks to give the federal government full control over manpower training.

My question was asked before the referendum. Now that the results are known, I can say that bringing up that question again at this time will give us rather clear indications as to the real desire for change that exists in the federal government, if it agrees to withdraw Bill C–96 or to amend it in such a way that the provinces will have full jurisdiction over manpower training.

This is an opportunity for the federal government to proceed with a meaningful decentralization and to delegate jurisdiction over manpower training. We are frequently asked why both levels of government are so stubbornly determined to keep their involvement in that area. The answer is that one of the two governments, the Government of Quebec, and the governments of all other provinces for that matter, has jurisdiction over education, and that education has a direct impact on manpower, because it includes not only primary, high school and college level education, but also the training of people who are coming back or want to come back on the labour market and want to get better training.

The other level of government got involved in the area of education by using its spending power and misusing, I would say, the unemployment insurance fund. This year, for example, a $5 billion surplus was created in the fund, and the department wants to use that money to meddle in manpower training.

This is a real life situation where useless duplication between governments is very expensive for Quebecers and Canadians and programs that are set up are not always effective. The

purpose of our representations is to ask the minister if he could withdraw Bill C–96 or find a way to give to those provinces who want it complete control over manpower.

This is not only a matter of administrative agreements. Such agreements were offered in the past, notably to the previous Quebec Liberal government which, although a federalist government, turned them down, since, without full delegation, it would be difficult for the Quebec government to take on such a responsibility.

• (1810)

This will have an impact on several areas of activity. In taking action, the Quebec government must be able to take into account the impact on social assistance and on other aspects of training, for instance, and, thus, draw up an action plan for several years to come.

If the delegation is only good for three or five years or is not complete, the Quebec government will not be able to ensure the success of its actions. This is why it is hoped that the federal government will agree to delegate the whole area of manpower to Quebec, in compliance with the request made as a result of the consensus reached by the unions, the *Conseil du patronat*, as well as by all of the political parties in Quebec. Therefore, in these times when the federal government is again promising us change, will it show at last a real willingness to do so?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is obviously confused as to the intent and scope of Bill C–96.

For example, clause 6 of the bill does not provide the Minister of Human Resources Development with any new powers. These already existed within the predecessor's departments and are simply consolidated to provide a more efficient response to the needs of Canadians.

Clause 20 allows the minister to enter into agreements. Again this is nothing new, as the minister already has similar authority under existing legislation. As the member should know, this authority is very important to serving the needs of Canadians. For example, under the program for older worker adjustment, the minister signs agreements with provinces to set up the program and with financial institutions to buy annuities on behalf of designated unemployed older workers.

This program has been of particular importance to Quebec where in 1994–95, the federal government spent $35.4 million, representing 66 per cent of total expenditures nation–wide to buy annuities on behalf of 1,255 older Quebec men and women. By the end of 1994–95, 4,260 Quebecers were benefiting from annuities purchased under the authority of POWA.

Of course, the federal government will continue to seek out the co–operation of its partners in establishing flexible programs and efficient arrangements. The government has continuously acted in this spirit since its election in October 1993.

For example, the Canada student loans program provides grants to women and persons with disabilities. Quebec has chosen to opt out and runs its own student loans program. In 1994–95, Quebec received a federal payment of over $92 million to do so.

The new Canada health and social transfer will provide block funding to provinces for post–secondary education, health and social assistance. The CHST will enhance provincial flexibility in allocating federal resources according to each province's priorities.

The strategic initiatives program funds innovative projects based on provincial priorities. We were all pleased when the minister announced on August 29 that he had come to an agreement on this important initiative with his Quebec colleague. As a result, an estimated 29,000 additional Quebecers will be receiving assistance over the next three years under the APPORT and Formation professionelle au secondaire programs.

It is clear that the hon. member is more interested in ideology than ideas. This bill is another step forward in the reform process leading to a more efficient and effective government. I urge him to support Bill C–96.

[*Translation*]

CHILD POVERTY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I wish to respond to the remarks made by the Minister of Human Resources Development in answering a question on child poverty. Today, I would like to get a better answer than the one the minister then gave me.

When I asked him if he would agree that cuts to the unemployment insurance program and the transfers to provinces would force more women and children to join the ranks of the poorest citizens, the minister simply answered this, and I quote: "One of the real purposes for undertaking a major modernization of our social programs is to tackle the whole problem of poverty faced by women and children".

Those are fine principles. But reality is another matter altogether. Moreover, in conclusion, the minister even had the nerve to recall that the fight against poverty requires efforts by all levels of government, employers, unions, social groups and women's associations.

• (1815)

That is really showing a lack of responsibility. How can we not be totally disconcerted by a government that casually offloads its burden onto all the others, while pretending that it has good intentions?

I want to remind the government, and especially the Minister of Human Resources Development, to whom history will attribute the indecent increase in the number of poor women and children in Canada and in Quebec, that the massive cuts and the shameless manipulation of the unemployment insurance fund have a direct and unavoidable consequence: they increase the number of welfare recipients.

It is not hard to understand. In Quebec alone, last July, 477,771 households were on welfare. In Quebec alone, as a direct consequence of the current government's ineptitude, there are almost 50,000 new social welfare recipients since it came to power. In Quebec alone, 249,567 children count on welfare benefits for their very survival and are suffering the consequences. That is more than a quarter of a million children. And the minister has the gall to tell us that women's associations must do their share. He has the gall to tell us that social groups must also do their share.

This government must review all the cuts it wants to make. It must look at them through its gender analysis prism it has been boasting so much about on the international scene. The social program reform so dear to the minister would not stand up to such an analysis very long, and that is why his government is waiting so long to implement it. The conclusion is obvious: the reform will clearly penalize women and children the most.

This government must work to reduce poverty among women and children, and not to increase it, as is currently the case.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the federal government is very concerned with poverty among Canadian children. Of particular concern are the six out of ten lone parent families headed by women who live in low income situations.

The best security for children is for their parents to have jobs. Consequently, the government is working diligently to establish conditions that create full time employment. As a result of these efforts, women now occupy more than half of the 505,000 new full time jobs that have been created across Canada since October 1993, as well as the 142,000 jobs created in Quebec.

For those who have not yet found employment we have introduced a higher benefit rate for unemployed poor families. This benefit rate is now providing up to $1,000 more in benefits for these UI claims. As of July 1995 over 383,000 Canadians have benefited from the 60 per cent benefit rate, including nearly 300,000 women. In Quebec over 110,000 claimants have received the 60 per cent benefit rate, including over 85,000 women.

The government intends to present shortly a new program of employment insurance, which will better help unemployed Canadians find jobs. As the Prime Minister stated in a speech on November 1, "We have to change the focus because we want to give a dependable security for the people who are raising families on low incomes".

Beyond these changes the Department of Human Resources Development has launched a series of strategic initiatives with provincial and territorial governments. In Quebec the federal government is supporting a major initiative to help over 25,000 parents make the transition from social assistance to work. Federal support of up to $54 million will be provided for the wage supplementation program in the next four years.

In the member's own riding of Quebec there are several human resources development projects under way involving approximately 400 women, which are aimed at helping them overcome the difficulties in order to enter the labour force.

The federal government continues to take serious and concrete actions to improve the well–being of Canada's children. Through reform of social programs at both the federal and provincial levels more can be done to tackle the serious issue of child poverty.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. The House therefore stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 6.21 p.m.)

HOUSE OF COMMONS

Wednesday, November 8, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

TAKE OUR KIDS TO WORK DAY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I wish to recognize Wednesday, November 8, 1995 as Take Our Kids to Work Day.

Today over 153,000 Ontario students will accompany a friend, parent or volunteer sponsor to their workplace in an effort to learn about the demands and opportunities of the working world. The program is an initiative of The Learning Partnership which provides students with an interactive hands on work experience in a field of interest to them while emphasizing community responsibility for the future of our young people.

I would like to welcome Anne McGuire, a grade nine student from Bishop Allen Academy in my riding of Etobicoke—Lakeshore. Anne is spending the day here in my office on Parliament Hill to further her interest in politics. Perhaps at some time in the future she will join us here as a colleague in the House of Commons.

* * *

VETERANS

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, the week of November 4 to 12 has been set aside to honour those Canadians who fought and those who died in two world wars, in Korea and in peacekeeping missions.

When veterans returned home from Europe 50 years ago they were filled with hope, pride and optimism. They were ready to build a strong Canada. How disappointed these veterans must be today. The country they were willing to give their lives for is $567 billion in debt and is in danger of breaking apart.

If action is not taken immediately to solve the debt crisis, to build a new Canada within a new federalism, to reform health care, the Canada pension plan and unemployment insurance, if we do not put justice back in the justice system and make Canadians feel safe on their streets and in their homes again, the efforts of those valiant Canadians will have been in vain.

* * *

[*Translation*]

REFORM OF FEDERALISM

Mr. Gilles Bernier (Beauce, Ind.): Mr. Speaker, if our political leaders in Canada have not grasped the very clear message sent by Quebecers on October 30, they will have to live with the consequences. Quebec wishes to regain its proper place within the Canadian context. Rather than being purely symbolic, the proposed changes should respond to the legitimate and traditional demands of Quebec.

People of Canada, the steps that are taken must be in harmony with what has been said in recent weeks. Let us put an end to double talk. Federalism as we know it must be reshaped; moreover, Quebec is not the only one calling for federal withdrawal from areas of provincial jurisdiction. More than ever, we must demonstrate a desire to make the changes necessary for national unity, while respecting our differences.

* * *

[*English*]

TAKE OUR KIDS TO WORK DAY

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I would like to announce the addition of a high powered office consultant to my constituency staff for one day, Mr. Travis Dolinski, who is participating in the program called Take Our Kids to Work.

Today in Ontario over 153,000 grade nine students are at work with a parent, guardian, relative, friend or volunteer host. They are all experiencing possibly for the first time the challenges of the workplace. They will spend a day on farms, in hospitals, factories, offices, retail stores and many other places of work.

Often students do not fully understand the links between education and work and how important successful work is to their future. Through this exposure they will see the value of a good education in our rapidly changing workplace. They will begin to think about the choices they will have to make and the paths they must follow to meet their career goals. They will also better appreciate what their parents do to provide them with the necessities of life.

With the co–operation of Erie riding's business and industry, our youth will have an informative, fascinating and stimulating experience. I encourage my colleagues to support this program or similar ones in their ridings.

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HEART RESEARCH

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I rise today to remind colleagues of the leading role Canadian doctors play in the advancement of heart research.

In a report to be published in the *European Heart Journal* this November, Canada is cited as one of the top three research leaders in the field of cardiology despite ranking 13th in expenditure on research and development per capita.

[*Translation*]

This year, Canadian physicians again made an enormous contribution at the congress of the International Society for Heart Research, held in Prague.

[*English*]

I was especially delighted to note the achievement of Dr. Naranjan Dhalla of Winnipeg who has served as president of that body for the past 25 years. Dr. Dhalla was identified at the congress as "the person primarily responsible for the remarkable development of the International Society for Heart Research". In fact, with the assistance of others he was also able to bring the 17th congress of this prestigious association to Winnipeg for the year 2001.

[*Translation*]

Mr. Speaker, the impressive—

The Speaker: I am sorry, your time is up.

* * *

[*English*]

CANADA REMEMBERS

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, this Saturday, November 11, communities across Canada will be holding special commemorative ceremonies in honour of Canadian veterans to let them know Canada remembers their valiant deeds.

In this century alone, over 100,000 Canadians have given their lives in the service of their country. Some remember these Canadians as friends of their youth, as comrades in arms in the service, some as mothers and fathers, or brothers and sisters, or spouses.

It is also a time for all Canadians to remember and pay tribute to those who purchased peace and freedom for us through their sacrifices, their suffering and with their lives.

We are what we are today, we have what we have today because of the people we honour on Remembrance Day. Throughout Carleton—Charlotte and indeed across Canada we will always remember them and their deeds.

* * *

[*Translation*]

MINISTER OF NATIONAL DEFENCE

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, in response to a question on the unacceptable actions of certain soldiers at Petawawa in celebrating, on at least two occasions, the terrible events at the Ecole Polytechnique, the minister of defence made remarks that were insulting, degrading and unworthy of his position.

Rather than condemning his soldiers' actions unequivocally, the minister unleashed his full contempt upon the Bloc, accusing its members and all sovereignists of racism.

• (1405)

In so doing the minister is insulting the half of the population of Quebec which voted yes in the referendum, continuing the mudslinging campaign begun by the Deputy Prime Minister last week. These statements are disgusting and demonstrate the minister's insensitivity toward the murder of young women in an incident which outraged all Canadians.

The minister must stop making statements which are unacceptable from a representative of the people, and must provide serious responses to the legitimate questions asked by the official opposition.

* * *

[*English*]

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, Canadians have continually asked how bad can it get. Now they are asking how much worse will it get. They are talking about violence and the fact this justice minister fiddles while Canadians burn.

Two teens club to death a retired senior couple. The justice minister cancels a meeting in their riding and continues to fiddle. A 10–year old girl is kidnapped and murdered by a known dangerous offender. The justice minister plays the same tune. Now in our nation's capital youth gangs with adult leaders are gathering. They use torture chambers to kill and maim our youth. Obviously the justice minister has not the will nor the courage to get with it and do his job.

Here are some suggestions. Scrap the Young Offenders Act. The act does not provide for proper correction for young offenders. Publish the names and pictures of violent youth, especially violent gang members. Let Canadians know whom they should protect themselves from. Scrap the politically appointed parole board. Let the frontline workers decide who is ready to return to society.

This Liberal minister and his justice system have failed. Now is the time for a new Canada with new—

The Speaker: The hon. member for Beaches—Woodbine.

* * *

DENISE MEEHAN

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I rise today to acknowledge the dedication and hard work of a constituent from the riding of Beaches—Woodbine.

In mid October Ms. Denise Meehan, the founder, president and sole shareholder of Lick's Ice Cream and Burger Shops won the quality plus award in the 1995 Canadian Woman Entrepreneur of the Year awards. In winning the quality plus award Ms. Meehan has demonstrated the ability to develop and maintain excellence in every aspect of her company's offering to her customers, employees, the community and the environment.

Ms. Meehan has six Lick's locations in the Toronto area as well as six franchises in the cities of Sudbury, Ottawa and Fort Lauderdale, Florida.

Ms. Meehan constantly pays attention to staff development and customer concerns. She believes that instilling good work habits, life skills and a caring attitude toward customers and the community fosters creativity and self–confidence.

I commend Ms. Meehan for her outstanding contribution to small business development in Canada.

* * *

THE LATE BERNIE NEWMAN

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, Bernie Newman, a former Liberal MPP for Windsor—Walkerville, passed away on Monday night.

Bernie was a teacher, an Olympic gymnastics coach of some renown, a great family man as well as a tremendous advocate for the city of Windsor.

Bernie believed in what he called positive representation which he defined as follows: "Positive representation is standing up on the floor of the legislature and hammering at problems others would like to ignore. It is overcoming indifference and getting action. It is the proper combination of the enterprise and energy of youth together with the weapons of experience".

Throughout eight successive victories and 28 years at Queen's Park, Bernie is best known for his commitment to and his love of his constituents. They kept sending him back to represent him over all those years. I do not know very many people living in Windsor—St. Clair during the years of Bernie's tenure at Queen's Park who did not receive cards or letters from him for anniversaries, birthdays and in sympathy.

I know all members of the House will join me in offering condolences to the Newman family and in honouring the memory of Bernie Newman.

* * *

NATIONAL SPIRIT OF PEACE RUN

Mr. Fred Mifflin (Bonavista—Trinity—Conception, Lib.): Mr. Speaker, I rise in the House today to draw attention to the National Spirit of Peace Run which has been happening in cities across Canada and which will be concluded tomorrow by a commemorative ceremony here on Parliament Hill and at the peacekeeping memorial.

The peace run is an activity organized by the Canada Remembers program as part of veterans week. I am pleased to say that in every city the run has brought together Canadians of all ages in a tribute to those who served our country during wartime.

Peace torches were carried in each city. These torches have been transported to Ottawa where they will be carried by second world war veterans to the centennial flame during a very special ceremony tomorrow that will celebrate Canada's continuing commitment to peace.

The ceremony will represent the passing of responsibility for peace from the young men and women of 50 years ago who defended it to the young men and women of today who will continue to protect it in peacekeeping missions around the world.

* * *

• (1410)

[*Translation*]

HELICOPTER PURCHASE

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, today the Minister of National Defence announced his plans to rent or purchase 15 new search and rescue helicopters at a cost of approximately $600 million.

The minister was unable to give any guarantees this morning that the new helicopters would be less expensive than those the Conservatives planned to buy.

Even worse, there will be no Canadian content requirement for bidders. When we know that the aerospace industry is based mainly in the Montreal region and that barely two months ago, the same minister awarded, without tender, a $2 billion contract for armoured personnel carriers to Ontario, this is simply outrageous.

The minister announces his expenditures on military equipment in dribs and drabs. How much will the final bill be, including on board helicopters and submarines, the next items on his shopping list?

While this government slashes social programs and unemployment insurance, the army gets the royal treatment. This says a lot about the priorities of this government.

* * *

[*English*]

GOVERNMENT POLICIES

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, last week in Vancouver the Deputy Prime Minister attacked my suggestion that the prompt and unconditional devolution of some government functions to provincial governments would meet the aspirations of Quebec and other provinces and therefore would keep the country together.

My constituents have been irate over this attack. They feel the minister's objections reflect her party's elitist attitudes and callous disregard for the wisdom of ordinary Canadians, which have led to a near break-up of the country.

What exactly does the federal government know that the provincial governments do not know better about manpower training, cultural, medical, language and other policies for the benefit of their citizens who hold them accountable at every election?

My constituents are happy to be Canadian and have Ottawa remain responsible for the policies it can carry out best, but they are tired of having distant politicians and bureaucrats run their affairs. Pay attention, Liberals, before it is too late.

* * *

[*Translation*]

CREATION OF A COMMITTEE ON CANADIAN UNITY

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, the creation yesterday of a committee on Canadian unity is typical of the makeshift policies that are bogging down the government.

During the final days of the referendum campaign, the Minister of Fisheries and Oceans invited Canadians and big business to violate Quebec's referendum act by spending millions of dollars in a last ditch effort to win a victory for the no side. He is a member of this new committee.

The Minister of Indian Affairs has on several times mentioned the possibility of dividing Quebec's territory. He is on this committee.

And last week, the Minister of Justice wanted to resort to some outdated legal tricks to prevent Quebecers from voting again on their future. He is on the committee as well.

Because the government cannot keep the Prime Minister's referendum promises, it creates a committee of ministers who openly took positions that were hostile to the aspirations of Quebecers. As a result, the committee's credibility will be almost nil.

* * *

[*English*]

1995 GREY CUP

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, on Monday, November 6 the leader of the NDP, Alexa McDonough, and I had the honour of touring the site of the 1995 Grey Cup, Canada's national football championship. The Grey Cup is being held at Taylor Field in my constituency of Regina—Lumsden on November 19. It is already a huge success with over 52,000 tickets sold.

From November 15 to November 19 the citizens of Regina welcome all Canadians to the best Grey Cup celebration the country has ever seen. Thanks to thousands of volunteers, Grey Cup 1995 is expected to be a tremendous success. Special thanks go to the Saskatchewan Roughriders football club, the Grey Cup committee and its executive director, Ken Thomas, along with the Grey Cup board of directors and executive committee members.

The theme of this year's Grey Cup is "Huddle up in Saskatchewan". I invite all members of Parliament and all Canadians to catch the spirit of Saskatchewan and experience our famous western prairie hospitality. Join us in the huddle for one terrific celebration in Regina. If they cannot make it to the celebrations—

* * *

[*Translation*]

THE MEMBER FOR FRONTENAC

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, yesterday, my friend the Bloc member for Frontenac again demonstrated his complete ignorance of Canada and its people.

The hon. member implied that the National Citizens Coalition speaks for the real English Canada that came to demonstrate at a rally in Montreal a few days before the referendum.

This statement shows how far removed separatists are from the real Canada. First of all, he ought to know that the vast majority of the 150,000 participants in this rally were from Quebec.

• (1415)

Second, unlike the separatists, the participants in this rally will not renege on their commitment to recognize Quebec as a distinct society.

There was no Jacques Parizeau in the crowd to say: "I could not care less about your distinct society".

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, whereas many people, strangely enough, joined together prior to October 30 to promise Quebec constitutional changes that would satisfy it, all attempts to fulfill these promises have failed one after the other, in the days following the referendum. In desperation, the government yesterday announced the creation of a mysterious committee, but nobody yesterday knew its make–up, its mandate or the deadline it must meet.

My question is for the Minister of Intergovernmental Affairs. Was the hasty set up of a committee to study the question of constitutional and administrative changes to the federation not the result of the government's inability to find a way out of the dead end it found itself in because of the commitments made by the Prime Minister and the fierce opposition by the provinces, certain ministers and certain members?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the promises the Prime Minister made regarding changes in connection with the distinct society, in particular, are promises the Prime Minister will keep.

Obviously, the Bloc Quebecois has no interest in these promises being kept, since their aim is to destroy the country. However, if we look objectively at events in recent years, we will see there have been significant changes in the federal government. We also know that the Leader of the Opposition has said he is not interested in discussing change of any sort until after a yes vote in the referendum.

Therefore, the opponents of change benefitting Quebecers are the Bloc Quebecois and the Parti Quebecois.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we do not need to look too far back in the course of events to discover that those who oppose the Prime Minister's commitments are those sitting on that side—in the caucus and in cabinet—and the provincial premiers.

Should I also remind the Minister of Intergovernmental Affairs that the job of the Bloc Quebecois at the moment is to ensure that Quebec is not cheated again, as it has so often been in the past?

The Deputy Prime Minister said yesterday that the federal government could move without necessarily seeking provincial approval, because, in any case, Quebec could block any initiative. Are we to understand from her remarks that the federal government has once again decided to work secretly to come up with a proposal it will then try to impose on Quebec?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the allegations by the member for Roberval are clearly in error.

With regard to the distinct society, it was the leader of the Parti Quebecois himself who said: "Stop bothering me with this idea of a distinct society". This is a matter of public record and contradicts what the member for Roberval has just said. So, he is the one opposed to a distinct society and not our Prime Minister.

Furthermore, in talking about negotiating the best for Quebec, let me read you, Mr. Speaker, what Lucien Bouchard himself said—

Some hon. members: Oh, oh.

• (1420)

The Speaker: My dear minister, I would ask you to give this man's title.

Mr. Massé: Mr. Speaker, on the subject of negotiations, the Leader of the Opposition said the day they would be at a table would be the day after Quebec had voted yes in a referendum, which he hoped would be held in the very near future. This reveals very clearly that the Leader of the Opposition does not agree with 73 per cent of Quebecers, who indicated they wanted negotiations on Canada's future.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are the accusations by the Minister of Intergovernmental Affairs and the government's phoney committee whose establishment was announced yesterday not simply delaying tactics aimed at keeping a lid on the profound division not only in the Liberal caucus, but in cabinet, where a number of members are still under the influence of Pierre Elliott Trudeau?

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 made no accusations and I based each of my statements on remarks made by the leader of the Parti Quebecois and the leader of the Bloc Quebecois.

Furthermore, in the committee that was struck, we are going to try to find a solution to the problems the country is facing, one that will help Canadians, including Quebecers. And the Bloc Quebecois is opposing our efforts at finding a solution to the present problems and is opposing the resolution of difficulties in jurisdictional matters, despite the fact that the majority of Quebecers indicated in a democratic decision that they did not want to leave Canada.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. All observers are still wondering what kind of logic prompted the federal government to think it might be helpful to set up a committee of ministers in charge of reviewing the possibility of making constitutional and administrative changes to the Canadian federation. Many people have questions, but few ministers can answer them.

How can we believe that this phoney committee can propose acceptable changes to Quebecers, when the real decision makers, that is, the provincial premiers, are not even on it?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, those who want to find a real solution to the problems met to set up a working group whose mandate is to look at possible changes.

It is clear that the official opposition—whose goal, as its leader indicated, is to break up the country—has no interest whatsoever in co–operating or in finding something positive to say about the working group we have set up. Yet, this working group is clearly needed to make a list of the changes required to reconcile all Canadians.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, yesterday, on Radio–Canada's *Téléjournal*, the Deputy Prime Minister made this short statement: "We are now trying to make it possible to fulfil the promises made by the Prime Minister". Let us be frank.

Is the creation of this phoney committee not simply a federal trick to allow the Prime Minister to save face, since he is unable to deliver the goods and to meet his commitments?

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, during the campaign, the Prime Minister made promises with respect to distinct society and the right of veto. The Prime Minister said he would keep these promises. Our Prime Minister is a man who has kept his promises in the past, and people believe in his integrity.

[*English*]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, for months before the Quebec referendum the government went to sleep on the national unity issue, failing to provide a strong federalist vision of strategy to counter the separatist dreams and strategy. Then the government got the mother of all wake up calls on October 30 and the Prime Minister belatedly decided to act on the demand for change inside and outside Quebec.

• (1425)

Now, a week later, we find the government going back to sleep. Instead of offering leadership it falls back on a tired, old precedent of appointing a top down, closed door committee to come up with some post–referendum strategy.

My question is for the Minister of Intergovernmental Affairs. What on earth happened to the sense of urgency that the Prime Minister expressed on October 30? By what date will this cabinet committee have something intelligent to report to 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, it is curious to hear the Reform Party complain about the unity task force.

Who wrote the 20 points in the Reform constitutional plan? Was it the committee or was it a submission by one of the Reform members? Did their leader agree without consultation with the party and without consultation with the people?

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the constitutional proposals in Reform's new confederation package have been under discussion with the Canadian public for five years. It came from the bottom up, not the bottom down.

The fact remains that the only government response to the Quebec referendum thus far has been to start down the same rocky road that led to the failures of the Meech Lake and Charlottetown accords by establishing a top down, closed door committee of cabinet to develop unity proposals without the involvement of Canadian people. This is the process that doomed Meech, doomed Charlottetown and will doom this post–referendum strategy unless the public is involved.

What specifically does the government intend to do to bring the Canadian people, the ones who pulled the no vote out of the fire, into the development of its post–referendum strategy?

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, when we talk about the will of the people I think the

leader of the third party should remember that the Charlottetown accord passed in his riding. If he were expressing the will of the people he represents he would be in favour of these negotiations.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Chamber and the National Press Gallery have become dangerously complacent about the failure of government ministers, including this minister, to give direct answers to straight questions. Maybe he can do that on a thousand different subjects and it is considered clever in the Chamber although it is not considered clever outside. If the government fails to directly answer straight questions on the issue of the unity of the country, it is playing with the life of the country and it will earn the just contempt of every Canadian who cares about the unity of the country.

I will ask my question of the minister once again and I will go slowly. What specifically does the government intend to do to bring the Canadian people into the discussion of its national unity proposal?

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, if we ask straight questions we get straight answers. If we ask contorted questions unfortunately we get contorted answers.

In this case if the question is what is the mandate of the committee, the mandate of the committee is very clear. The promises the Prime Minister mentioned during the campaign will be kept. At present we are looking at various ways in which governments could be made more effective. This is part of the changes we have carried through with the government in the last two years and this will continue.

* * *

[*Translation*]

THE CONSTITUTION

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. On the government's phoney committee, we have the Minister of Justice, who, last week, was looking for legal means to prevent Quebecers from voting again on their future, the minister of fisheries, who urged thousands of Canadians to act in violation of the Quebec referendum act, the minister of Indian affairs, who raised the possibility of dividing Quebec's territory, and the Minister of Canadian Heritage, who will not recognize that Quebecers are a people.

• (1430)

Under these circumstances, how can this committee come up with anything that would be acceptable to Quebecers?

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, when official opposition members refer to a phoney committee, it is clear that they are choosing words that have no connection with reality, just to discredit a tool used by the government to try to improve the situation.

Again, this comes as no surprise to me, since the self–appointed role of the official opposition is to destroy this country, which strips it of any credibility when it comes to looking after the interests of Quebecers. We are the ones looking after the interests of Quebecers by respecting the wish of the majority, which is to find, within Canada, ways of making the federation work better.

Mrs. Pierrette Venne (Saint–Hubert, BQ): This is the whole point, Mr. Speaker. Will the minister admit that, in this committee, the interests of Quebecers will be looked after only by ministers who said repeatedly over the past two years that Quebecers did not want to hear about the Constitution?

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, again, I think it is pointless to keep answering questions from the opposition, whose sole goal is to promote the destruction of this country, and not to help Quebecers.

We, on the other hand, have established a commission which has been mandated, in accordance with the wish clearly and democratically expressed by Quebecers in the referendum, to find solutions within the Canadian federation.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it is an understatement to say that there was a massive breakdown in security at 24 Sussex over the weekend. With every passing day the revelations get more bizarre and Canadians are rightly concerned and angered.

We have just learned that the Mounties guarding 24 Sussex that night were inexperienced, having received only a couple of months' training. At least one of them had been called from the RCMP musical ride.

I ask the Solicitor General of Canada this. What sort of training did these officers receive and who was responsible for putting these people in the position of gatekeepers at 24 Sussex?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Mr. Speaker, I have already reported to the House that a full investigation into the circumstances of the incident and what steps should be taken to make sure it is never repeated is under way.

I expect this investigation will be completed and a report available to me by the end of the week. In light of that I will have a lot more to say about this incident which is certainly something that should never have happened and something I never want to see happen again.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, on the same night this tragedy happened, in Israel the security force resigned; its members have either been thrown out or they have resigned.

Why can that not happen here when our Prime Minister's life was in great danger that night? Why was the intruder not spotted? Why did it take seven minutes for the RCMP to respond? Why did the RCMP secure the perimeter of the place without securing the Prime Minister?

More amazingly, none of the three senior officers who are on emergency standby duty 24 hours a day with cell telephones answered when Mrs. Chrétien made the emergency call. They were not available. They did not answer their phones even though they were on 24–hour standby emergency duty.

Will these senior officers be held accountable? Can the solicitor general assure the House, without the report having even been tabled, that junior officers will not take the fall for their superiors?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the important thing is to determine in a factual way all the circumstances and then to put steps in place to make sure the incident is never repeated.

This is what we are doing. This is what is going to happen. I hope to have the support of my hon. friend if she is serious about this.

* * *

• (1435)

[*Translation*]

THE CONSTITUTION

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Yesterday, when asked about the mandate of the cabinet committee, the minister could only say that the committee was going to look at all the possibilities for constitutional and administrative changes in the Canadian federation.

I put my question to the minister in the hope that he will provide an answer. Can the minister tell us if the proposed resolution to recognize Quebec's distinct character, as well as the bill on regional referendums, are among the options which his committee will look at?

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, the commitments made by the Prime Minister during the campaign concerning a distinct society clause and a constitutional veto for Quebec will be fulfilled. Our committee will also look at non constitutional measures, so as to not overlook any means to make our federation more effective.

This is what we will do in the coming months. We should not pre–judge the results. We, at least, are working in the best interests of Canadians and Quebecers.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, will the minister admit that, if the government gave such a wide and vague mandate to its committee, it is because it wants to keep all the doors open? The government obviously does not know how to fulfill the commitments made to Quebecers by the Prime Minister during the referendum campaign?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the answer is no. The commitments made by the Prime Minister during the campaign will be fulfilled and we will review, with dedication, the changes that could be made to improve the way Canada works.

Again, in establishing this committee, the government shows that it cares for the well–being of Canadians and Quebecers. As for the opposition, it has clearly indicated, through its leader, that it is not interested in negotiating, and that its only goal is to destroy our country.

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[*English*]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, as usual I am asking questions concerning the Minister of National Defence's mismanagement of his portfolio.

This morning the military police revealed documents alleging fraud by the chief of the defence staff. Access to information documents show the CDS has misused public funds.

Canadians have serious problems with the defence department's continually having to investigate itself because of the minister's mismanagement.

Has the CDS offered his resignation or has the minister demanded the resignation of the CDS?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member goes on so many fishing expeditions that it is very difficult to keep up with him most of the time.

As everyone knows, the chief of the defence staff is a distinguished individual who has served the country well. He will be leaving at the end of December. If the hon. member has any charges to level, I hope he will do it in the appropriate place.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, today we have strong evidence against at least two of the minister's senior officials, the chief of the defence staff and Lieutenant–General Boyle, who has denied the existence of documents which have surfaced with his signature on them.

Was the minister's helicopter press conference today a feeble attempt to divert the attention of Canadians away from yet more reports of corruption, deception and misconduct by officials surrounding the minister?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I cannot believe my ears when I hear the hon. member from the Reform Party. He has been urging the government to re–equip the forces yet criticizes the making of this very key announcement of providing new search and rescue helicopters to the armed forces.

On the matter of the access to information inquiry, the hon. member knows the department came to the person who requested the information and stated there were some irregularities. An investigation was launched by the deputy minister and subsequently the military police were brought in. The information commissioner was apprised and fully concurs with the way we are handling the situation.

Here we have yet another attempt by members of the Reform Party to malign public officials who are unable to defend themselves on the floor of the House.

* * *

• (1440)

[*Translation*]

BLOOD SUPPLY SYSTEM

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

A study prepared for the Krever inquiry once again indicates significant shortcomings in Canada's blood supply system. According to this report, we are apparently not yet protected from another contamination like the one experienced in the early 1980s.

Is the minister aware that, still today, as a result of her inaction, another tragedy such as was experienced in the early 1980s remains possible?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, that is exactly why the Government of Canada struck the Krever commission to study the 1980s tragedy and to try to ensure it does not recur.

Mr. Justice Krever has commissioned all sorts of studies to help him decide what ought to be done. We continue to await his report and in the meantime we are taking all the steps we can to ensure the safety of the blood supply.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, how can the minister still be hiding behind evasions, behind the skirts of the Krever commission, when it is in her power to act now and prevent another tragedy? What we expect from her is not excuses, but action.

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have not waited for Justice Krever's report before taking steps to make the system safer. We have begun by stepping up, doubling even, the resources allocated to the Bureau of Biologics. We have begun to inspect blood donor centres on an annual basis. We also have a system for making inspection findings public.

Among other things, we have set up an advisory committee to help us continue to look at what is going on in other areas, in other countries, so that we may continue to be in the forefront with all new methods for increasing the safety of the system. We shall continue to take all of the steps necessary.

* * *

[*English*]

NUCLEAR WEAPONS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs or for the parliamentary secretary.

Yesterday it was reported that Canada is withdrawing its co–sponsorship of a United Nations resolution seeking a stop to nuclear weapon tests.

Why is Canada withdrawing its sponsorship over the wording of the preamble when at the same time the Canadian delegation plans to vote for the resolution?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, as the government has repeatedly stated in the House and internationally, Canada is deeply committed to early conclusion of the comprehensive test treaty which will prohibit all nuclear testing for all time.

A draft resolution dealing with the nuclear testing issue is currently being negotiated at the first committee of the United Nations. As the text now stands, Canada intends to vote in favour of the resolution.

While Canada had initially co–sponsored a draft resolution, we had made very clear that we had reservations about one of the paragraphs in the resolution that could have brought into question the commitments made by nuclear weapon states at the 1995 NPT review and expansion conference.

Canada intends to vote in favour of the resolution, but it will not be co–sponsoring it.

* * *

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, yesterday I asked the Minister of Industry about the misappropriation of funds at the Ontario Metis and Aboriginal Association.

In 1993 the minister's department was aware that its guidelines were being seriously broken and the association was declared insolvent by BDO Dunwoody.

How can the minister continue to leave President Henry Wetelainen in charge under these circumstances, especially since the minister said, on Goldhawk in June, that he would investigate and act?

• (1445)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the member implies that I run the aboriginal capital corporation in question, which is not the case.

Mr. Morrison: You fund it.

Mr. Manley: Another member suggests that I fund it. The fact is that no funds have been advanced to that organization since 1991. The facts that are alleged to be improper on the part of the hon. member have been given to the RCMP for investigation.

Mr. Abbott: Why did you not say that yesterday?

Mr. Manley: I did say that yesterday. I am sorry you were not listening.

Mr. Speaker, I realize that due process is sometimes seen by the Reform Party to be a bit of an inconvenience, but in this case I suggest it let the police do their work.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, I point out to the minister that this organization has had a cash flow constantly throughout the years, despite the cutting off of federal funds. There are still moneys coming in from the previous loans portfolio and they are being mismanaged, poorly managed.

I ask the minister again if he will not cease and desist with this president running this organization to the detriment of the Métis aboriginal people they are meant to benefit.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, with respect to the efficiency of the administration and the appropriateness of the conduct of the organization, the member is right that we have concerns about it. That is why I indicated to interviewers that we would be investigating it.

Not only has there been no additional federal money given to the organization, not only has the agreement with the organization terminated, but we are continuing to work with them to correct the administrative conduct if necessary. If necessary we will take whatever action is required to recover funds that were previously given to the organization.

There are two files at issue here. One is the allegation the member referred to earlier, which could lead to criminal charges. The other issue is with respect to the administration of the organization. He imputes to me powers I do not have, that of appointing the president of the organization.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is directed to the Minister of National Defence.

After making a big production of cancelling the huge EH–101 deal two years ago, the Minister of National Defence now goes ahead and buys 15 search and rescue helicopters, the same number the Conservatives planned to buy, without any guarantees they will be less expensive.

Since the minister refuses to say anything about purchasing combat helicopters, does this mean that, to make its policies more palatable to the taxpayers, the government is making these announcements piecemeal and plans to invest in a program as ambitious as the EH–101 deal?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the hon. member knows, there were four major crown purchases that were called for in the white paper that resulted from the special joint committee's deliberations. The hon. member's party took part in that.

We announced the contract for the APCs some weeks ago, and now we have made the announcement of a competition for the replacement of the Labrador search and rescue helicopters, which are over 30 years of age and nearing the end of their life. This will be an open competition. We hope to examine new ways of financing that particular purchase, perhaps by leasing. The bottom line will be to save the taxpayers money.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the minister is right when he says we were part of that committee, but the Bloc Quebecois proposed far more substantial cuts.

When we realize that the aerospace industry is mainly based in the Montreal region, what explanation does the minister have for the fact that, in the case of the 15 helicopters, there is no

Canadian content requirement and that two months ago, the same minister awarded, without tender, a $2 billion contract, for armoured personnel carriers to Ontario?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, one of the things called for in the white paper was to move to off the shelf procurements, and that means to get the best deal for Canadian taxpayers.

• (1450)

Unlike the hon. members opposite, I happen to know that Canadian industry is very competitive, especially in the areas of integrated systems and electronics. Many of those industries are in Quebec. I am sure many of those industries will have a chance to show to bidders that they are competitive and can be part of this particular contract.

With respect to the question of the absolute price, we cannot talk about an absolute price if we are to have a competition in which price is to be one of the principal determinants. However, I will guarantee that on the search and rescue helicopters it will be much cheaper than the price that was to be paid for the EH–101 for the same job. We have reviewed the specifications and have found out that what the previous government ordered was really too rich for even the application of search and rescue standards in the country.

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CANADIAN BROADCASTING CORPORATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, last summer the CBC was ripped by the auditor general for being bureaucratic, wasteful and inefficient. Today a leaked document suggests that the CBC will soon be put in charge of the administration of Telefilm.

Will the minister promise the House that he will not send the arsonist to put out the fire?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, at the time of the last budget it was announced that there would be a review of the mandates of the CBC, Telefilm Canada, and the National Film Board. We are on course. There will be a report and recommendations put on my desk at the end of this month. Only at that time will decisions be made. In the meantime, I am waiting for that report.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, to further make the point, in the recently released supplementary estimates the CBC helped itself to another $56 million over and above what it was budgeted for this year. It seems it is having a little trouble with this restraint thing.

How can the minister justify giving the CBC another $56 million when it has proven so wasteful in the past?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague does not seem to understand how downsizing works. This surprises me, coming from his party.

The CBC is downsizing and there is a cost to downsizing. The economies will show this in the next few years. That is the way it works.

* * *

FISHERIES AND OCEANS

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, as the Minister of Fisheries and Oceans is fully aware, women are making a significant contribution to the work carried out by his department. DFO is currently integrating the fleets of scientific research, fisheries patrol and coast guard vessels.

Can the minister tell us what steps he is taking to promote a safe and healthy working environment on board DFO vessels?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for her very thoughtful question, which I know my colleagues in the Reform Party are interested in. Her question acknowledged the contribution of women in the Department of Fisheries and Oceans and the contribution of women on shipboard platforms in both DFO and the coast guard.

In response to the question about a safe and healthy working environment for women within the Department of Fisheries and Oceans, we have recently taken steps to improve the environment, including the removal of alcohol from research vessels in the maritime region, sensitivity training for DFO vessel crew members, and leadership training for senior officials, promoting a safe and healthy working environment for all our employees. Harassment will not be tolerated in 1995. We are taking steps to ensure that the full contribution of women can be made in a safe, healthy and secure environment.

* * *

[*Translation*]

CANADIAN ARMED FORCES

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Members of the former airborne regiment held celebrations in honour of Marc Lépine, who killed 14 young women at the École polytechnique in Montreal. Members of this group were even promoted by the Canadian Forces but, despite our questions on this matter, the minister of defence still refuses to suspend these promotions.

Does the minister not agree that common decency requires him to suspend immediately the promotions given to those involved in the dinners honouring Marc Lépine?

• (1455)

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I answered those questions two days ago. This incident has not been confirmed but if it did occur, it is, of course, deplorable and unacceptable. Canadian Forces do not condone such activities. An investigation is under way and I hope that Lieutenant–General Baril, the commander of the army, will submit his report in the near future.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, since the minister stubbornly refuses to suspend the promotions given to the soldiers involved in the dinners honouring Marc Lépine and shows little sensitivity in this matter, I will put my question to the Deputy Prime Minister.

How can the government tolerate the fact that soldiers who took part in celebrations in honour of someone who killed 14 young women were promoted by the Canadian Forces and that these promotions were not suspended, even after these events were brought to the defence minister's attention?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I find it offensive that people would make judgment on people and convict them without the evidence. Let us wait for General Baril's report before we make any judgment.

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IMMIGRATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, yesterday a federal court judge struck down a section of the Immigration Act that was used to keep members of terrorist groups and criminal organizations out of the country. In the court's questionable wisdom, the judge felt that to deny entry to members of terrorist organizations is a violation of their charter of rights and freedoms guarantee to freedom of association.

I ask the minister of immigration to confirm that it is the intention of the government to appeal this decision and to advise the House on what steps it plans on taking in the meantime to keep members of criminal organizations and terrorist groups out of the country.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I thank the hon. member for her question.

First, it would be advisable to understand this is one section in the Immigration Act, which has probably been used twice in the last 10 years.

Second, the judgment just came down yesterday. It is some 70 pages. Our officials and officials from the justice department and the solicitor general's department are considering an appeal.

Third, it would be unfair to give the impression to Canadians that because there may be a question on section 39 of the act the department and the act are powerless with respect to those who come to this country and are deemed to be undesirable. The power of certificates in section 40 is still there. The power to detain is still there. The power to deport and move to inquiry is still there. The powers obtained under Bill C–44 that allow inquiries to stop refugee claims if there is a threat to Canada are still there.

We are discussing one tool in a toolbox that gives plenty of options to the Government of Canada.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, what we are talking about is a court of Canada saying it is okay for criminals and terrorists to enter our country.

Canadians want to know if the government is prepared to use the notwithstanding clause in the charter of rights and freedoms to keep terrorists and criminals out of the country.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member should stop fear-mongering and begin to deal with decisions in a calm, fair, and rational manner. I realize that is a bit much to ask of the Reform Party.

The federal court said no such thing. The federal court made a decision based on section 39 with respect to simple association with various memberships of organizations. It did not say it was okay for terrorists or others to come into the country.

• (1500)

We are saying that this is one section of the Immigration Act. We may indeed appeal this decision. It was only handed down yesterday. Let us reflect on what the court took months to deliberate on and let us do the right thing rather than jump into scare mongering that does no one any good anywhere.

* * *

INCOME TAX

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, as we approach the end of the calendar year many Canadians focus their attention on the dreaded task of filing their income tax returns. The Department of National Revenue sends out millions of tax packages to individual Canadians each year.

Given the budget restraints this year, could the Minister of National Revenue tell the House what his department has done to streamline the tax filing operation and to save money?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for her continuing interest in government efficiency and saving taxpayers' money. We appreciate it very much.

The department introduced a number of changes to the 1995 income tax packages for individuals. This will save approximately $3 million annually. It translates into an environmental saving of some 320 million pages or, if we want to look at it somewhat differently, 13,600 trees.

This is part of a continuing process in the department on which we have embarked over the last few years and which will with the $3 million save a total $9 million. It has been done through cost efficiencies and savings rather than any cut in service. It is eliminating duplication of information. It is simplifying the tax filing of individuals and, as I mentioned, it is substantially helping the environment.

* * *

NUCLEAR TESTING

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Foreign Affairs and follows up on the question of the member for Davenport.

Every party in the House except the Bloc Quebecois has condemned French nuclear tests in the South Pacific. Does the parliamentary secretary not recognize that French nuclear tests in the South Pacific clearly violate the undertaking that France gave at the special conference in May of this year?

Will the parliamentary secretary make it very clear to the House that Canada accepts the undertaking made by France was violated, and will Canada do the right thing and restore its co–sponsorship of this important resolution?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the international community and the hon. member should know Canada's position on extending indefinitely the ban on nuclear testing. He heard the explanation of why Canada is supporting the resolution while withdrawing its co–sponsorship.

Canada felt the wording was not strong enough. Canada registered its objections at the time when France was intending to set off another nuclear test. That is well known. The hon. member is trying to score political points over nothing.

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Samak Sundaravej, Deputy Prime Minister of the Kingdom of Thailand, and his group from Thailand.

Some hon. members: Hear, hear.

The Speaker: Also I draw attention to the presence in the gallery of the Earl of Lindsay, Minister of Agriculture, Forestry and the Environment for the Scottish Office.

Some hon. members: Hear, hear.

* * *

• (1505)

CLASS OF 1965

The Speaker: It is not often we in the House of Commons celebrate a day such as today. However it is very special for two members of the House.

The member for Notre–Dame–de–Grâce and the member for Renfrew—Nipissing—Pembroke belong to the class of 1965. They were first elected to this place in a general election held on this day 30 years ago. I should like to salute them in the name of the Parliament of Canada.

Some hon. members: Hear, hear.

The Speaker: Some members want to make interventions and I recognize the hon. House leader of the government.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to associate myself as do all members of the House with your words of congratulation.

I believe it is time that I personally stopped thinking of the hon. members for Notre–Dame–de–Grâce and Renfrew—Nipissing—Pembroke as those two new guys around here. Not many members have had the privilege of serving 30 consecutive years in the House. I am happy to note that the active membership in this special club has just tripled. I assure new members and the House that I could not have chosen any better company.

Some hon. members: Hear, hear.

Mr. Gray: The hon. member for Notre–Dame–de–Grâce came here as a passionately committed champion of the less fortunate and the dispossessed, a relentless crusader for justice and equity, and a forceful advocate of international understanding. He has served in many capacities, including as a minister of the crown. He has taken on every challenge with energy and persistence.

If there are some newer members who marvel at his vigour, they should take note that there are even hockey players only one third his age who have trouble skating with him for an entire game.

The hon. member for Renfrew—Nipissing—Pembroke has distinguished himself as a real tribune of his people. An educator by profession, he has continually demonstrated the effectiveness of speaking sometimes in soft tones but always in very plain language.

He too has served in many capacities, earning a well justified reputation in matters concerning defence and public administration. When he speaks we all recognize that he is accurately reflecting what his people are saying. He has often proven the value of persistence and honest hard work.

A decade ago he had a close electoral call, being returned by only 38 votes. This earned him the nickname of Landslide Len. He rolled up his sleeves and in the next election proved his nickname well earned. He won the next time by more than 10,000 votes.

To conclude, anyone who has been to the district of Notre–Dame–de–Grâce in Montreal or who has visited the upper Ottawa valley can soon learn how it came about that these areas have returned the same members in nine consecutive elections. In both cases one finds that almost everyone knows their member of Parliament, and even if not a partisan supporter everyone can tell about the personal service that each of these members has provided. Of course these members probably do so as Liberals, as members of our Liberal caucus.

These are two honourable and decent people who have served Canada well for 30 years. May they both serve for many more.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, allow me to join my hon. colleague to convey, on behalf of my caucus, our heartfelt congratulations to our two colleagues, the hon. members for Notre–Dame–de–Grâce and Renfrew—Nipissing—Pembroke, on 30 years of parliamentary activity. That is unusual and, party politics aside, we all have to respect such tenacity and commitment to serving one's fellow citizens.

• (1510)

All too often, the members of this House have to sacrifice their health or families to uphold democracy, which makes those being honoured today all the more deserving. I would therefore ask them, on behalf of the members of the Bloc Quebecois, to accept our sincerest congratulations.

[*English*]

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I too should like to pay tribute to these two long serving members. I think after having won two elections I am a veteran at this but in fact I am just a kid. The hon. member for Renfrew—Nipissing—Pembroke and the hon. member for Notre–Dame–de–Grâce have had incredible careers here.

With respect to the hon. member for Renfrew—Nipissing—Pembroke, in the 30 years he has served there has often been a cold and cynical environment in this place, sad to say, but he has contributed immeasurably to making members of the House remember that their purpose in Ottawa is to serve those who elected them back home. There are no votes to gain in the Chamber.

While in government he served as acting speaker of the House and parliamentary secretary to the ministers of national defence and energy, mines and resources. In opposition he served as official opposition critic for national defence, financial management and regional development. Yet, when asked about his great achievements as a member of this place, the hon. member often mentions funding for the Ottawa Heart Institute.

He has found an enviable role in Parliament that does not include the high and mighty stature of being a minister. Funding for the Ottawa Heart Institute was very important to him. I remember the time he went in for heart surgery. We were grateful that our prayers were answered and he was able to return here. We are glad he is in good health and feeling well enough to keep up a rigorous schedule.

Regarding the hon. member for Notre–Dame–de–Grâce, again he is somebody who has served here for 30 years. I was 13 years old when these two men were elected. It gives me a sense of history. The hon. member for Notre–Dame–de–Grâce has also had a wide and varied career. He has served in a variety of capacities as Solicitor General, Minister of Indian Affairs and Northern Development, and Minister of Consumer and Corporate Affairs. The titles go on and on. They show the wide diversity of knowledge he has gained from this place.

He has worked in many areas, but it is amazing that he has demonstrated his tenacious commitment to the convictions and principles on which he has staked his political career, I am sure more than once. In a firm commitment to the principles in which he believes and on which he has been re–elected on eight successive occasions, which truly distinguishes the hon. member for Notre–Dame–de–Grâce, his unwavering belief in the principles in which he believes so firmly and for which he stands has seen him stand to be counted many times, including a recent personal and difficult decision for him to oppose his own party.

The hallmark of that successful politician, someone who is willing to stand to be counted, is that he is able to balance the realities of the party system with the wishes of his constituents while remaining true to his own beliefs. The hon. member for Notre–Dame–de–Grâce retains the respect and support of his constituents. I know my party especially has appreciated him as chairman of the justice committee on which he served.

I wish both gentlemen well and a happy anniversary. I wish God's richest blessing on them as they continue in this place.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I very sincerely thank the government House leader and all my colleagues, the House leader for the official opposition and its members, and the House leader of the Reform Party and its members for their good wishes. If it were 30 years ago today I would do it all over again.

Some hon. members: Hear, hear.

Mr. Hopkins: There is no greater calling in Canada than that of a member of Parliament representing constituents and the nation and participating with the nation in international affairs. Some of the great things done by people in this place are the small things they do for their constituents. It has always been rewarding for me to travel through villages, towns, cities and communities and be called by my first name and taken into confidence. The people of Canada respect those who treat them with decency; I would say today that a sense of decency toward our fellow citizens and to be credible in their presence is one thing MPs should always bear in mind.

• (1515)

I have seen, met and befriended some wonderful people who have passed through this great institution, people who have made a fantastic contribution to Canada. Quite frankly, I can say at this stage in my life on behalf of those people whom I have known and many who are in the House today, I do not think that this country's elected people get half the credit they deserve for the wonderful job they are doing.

I say to all members, good luck and all the best to you as you go on in your careers. Thank you very much for your friendship.

There is one thing that cannot go unmentioned here today. Whenever there is a party for Len Hopkins, I do not want it to be a party for Len Hopkins; I want it to be a party for my good wife Lois who is in the gallery today—

Some hon. members: Hear, hear.

Mr. Hopkins: —and for the members of my family, Doug and Sherri, who have tolerated me over these 30 years. There are many in the House who know what it is all about.

The best thing for people in public life today is to be decent to people, respect them and listen to them. Enjoy your career here by doing useful things for those people and for the country. Remember that this is a great institution through which many wonderful people have passed in bygone years. It is up to those of us here today to make certain that people in the years to come look back and say that we respected the system and looked up to the Canadian people and did the best we could for this great nation of ours.

Some hon. members: Hear, hear.

The Speaker: My colleagues, the last word always falls to the Speaker. Len and Warren, my words are also meant for you.

In the name of your colleagues here in the House and for those of us who have served by your side over the decades, it is good to know there are people like the two of you, fighters fighting quietly at times and at other times more vociferously.

This House is an honourable place. The two of you, Warren and Len, have brought greater honour to the House by being part of it. Thank you for serving Canada.

Some hon. members: Hear, hear.

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 in both official languages a number of order in council appointments which were recently made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would like to table, in both official languages, the government's response to two petitions.

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[*Translation*]

ENVIRONMENTAL PERFORMANCE REVIEW

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Today, Mr. Speaker, I am pleased to table before the House the *OECD's Environmental Performance Review of Canada*. The review was conducted over the last 18 months by a team of international environmental policy experts. It looks at how Canada is doing in meeting the goals we have set domestically and internationally.

• (1520)

[*English*]

THE ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, having tabled the document, how did Canada do?

Overall the OECD report is positive for Canada. It points to areas where we are doing well. Equally important, it points to areas where we must do better. The report credits co–operation among various levels of government as a key reason for effective environmental protection in Canada. It recognizes that Canadian governments have embraced the concept of sustainable development.

[*Translation*]

But Canada—like most OECD countries—continues to struggle with turning the concept of sustainable development in reality. The report says we have to do better—and we are. Over the past year, we have taken significant steps to address this problem. Bill C–83, which amends the Auditor General Act, is an example.

It requires that government departments prepare sustainable development strategies and integrate sustainable development into departmental policies, programs and operations. This means giving the federal government the tools to start making the shift to sustainable development.

[*English*]

The OECD report also has a lot to say about the way we are bringing environmental policy to life in Canada. While the report compliments the way we use voluntary agreements, it says that we need to increase the use of economic instruments. The report is right. We should use economic instruments in more cases to achieve our environmental goals. However, the government also believes there is a definite role for good legislation and good regulation and a definite need for legislation to be vigorously enforced.

The federal government's flagship environmental legislation is the Canadian Environmental Protection Act. It is here that good regulation can shift society and industry to cleaner commercial practices. As members of the House know, this legislation is currently under the mandatory five year review. The government will be tabling its response to the standing committee report very soon.

[*Translation*]

In terms of wildlife and species protection, the OECD report makes it clear that we still have a lot of work ahead. While we can be pleased that population levels for many vulnerable species are going up, the report points to many cases where the laws are weak. It suggests that Canada give special consideration to protecting wildlife in areas where there are severe pressures from human activities.

The government recognizes this need. Last May, I released a proposal for a new Canadian Endangered Species Protection Act. This is the first time a federal government has moved to create a co–ordinated and co–operative national approach to protect the 244 species of wild plants and animals that are endangered, threatened or vulnerable.

[*English*]

On air pollution, the OECD report is positive about the effectiveness of Canada's federal–provincial partnership in reducing air pollution. We have met our goals for emissions of many air pollutants, including sulphur dioxide, lead and carbon monoxide causing acid rain. It also points to areas where air quality is inadequate for human health and ecosystems.

In parts of Canada there are consistent breaches of national and provincial ambient air quality standards for ground level ozone, what we call smog. Environment ministers across Canada are strongly aware of the need to take action to reduce pollution from cars and from industry. We have begun to take action in concert to address this problem.

Last month in Whitehorse, Yukon my provincial colleagues and I endorsed a report calling for the tightening of regulations under the federal Motor Vehicle Safety Act. Our report also calls for actions to improve fuel efficiency and to promote advanced technology and alternatively fuelled vehicles.

There will be new standards for cleaner gasoline and diesel fuel. All in all, we believe these changes will significantly reduce the level of smog in Canada. That means cleaner air and healthier Canadians, which means Canadians will live longer.

The most sobering element of the OECD environmental performance review report is that we are told we need to do more to meet our climate change goals. The report says that Canada will have a tough time meeting its climate change goals with our current plans. Nor does it believe that our national action program will allow Canada to meet its international commitment to stabilize carbon dioxide emissions by the year 2000 at 1990 levels. Clearly, tougher measures must be taken.

• (1525)

The report encourages us to be more aggressive and to consider the use of all instruments available to reduce our emissions of carbon dioxide, instruments including charges, regulations and indeed taxes. The world's leading scientists have confirmed that if human beings do not reduce and eliminate their impact on the world's climate, the repercussions for Canada and the planet earth will be severe, crippling and irreversible. Aggressive actions must be taken now. They must be taken if we are to fulfil our responsibility to protect the health and future of our children and grandchildren.

[*Translation*]

And so, what messages can we take from the OECD Environmental Performance Review of Canada? Yes, our efforts to protect the environment are bearing fruit. But we cannot be complacent. There are important environmental issues that we have not resolved. And there are goals and commitments that we have not successfully met.

In Canada, we have a record of working together to solve problems. This is something we can be proud of. The OECD has recognized this, but we must continue.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, today, the Minister of the Environment is tabling the OECD's report on Canada's environmental performance.

This report also recognizes the efforts made by the Canadian Council of Ministers of the Environment, which proved itself to be a useful instrument in several respects. The report highlights the environmental strengths and weaknesses of the federal and provincial governments, which made sustainable development a central theoretical concept but with few concrete applications.

The minister states that, contrary to what the report says, her government was able to translate the concept of sustainable development into a reality. To prove her assertion, she used the example of Bill C–83, which creates the position of commissioner of the environment.

I simply want to point out to her that creating the position of commissioner of the environment is no guarantee of sustainable development for the federal government, let alone for Canadian and Quebec society. On October 3, the auditor general admitted before the Standing Committee on the Environment and Sustainable Development that he would have no control over the scope of departmental action plans. The departments themselves will be responsible for setting objectives, which cannot be questioned by anyone. In simple terms, nothing can prevent a minister from setting meaningless or superficial objectives.

More importantly, the auditor general questioned the departments' ability and willingness to find ways to assess the effectiveness of their action plans. On this subject, he said, and I quote: "In an era of downsizing and restructuring, I fear that the challenge will not be taken up. In our experience, in order to take positive action, departments need leadership, support and direction", something that is obviously lacking.

How can the minister come here to brag, when she knows full well that her government was unable to force her colleagues to develop meaningful action plans that could set an example for the private sector?

At report stage and third reading of Bill C–83, I will be pleased to analyze more thoroughly the amendments put forward by the committee, which open the door once again to federal meddling in areas of provincial jurisdiction.

The minister admitted today that there is a real need for environmental legislation to be vigorously enforced. I fully agree with her. In this regard, she should be reminded again that Canada is still acting illegally by exporting toxic waste to the third world and that her officials simply cannot afford to put an end to this practice.

• (1530)

The minister is quite right. It is not enough to sign international arrangements such as the Basel convention; we must also enforce them. In that sense, instead of interfering in areas that are no concern of hers, as she keeps doing, the minister should ensure that those acts which are clearly under her responsibility are properly enforced.

Moreover, the minister should also be reminded that, since her government came to office, the number of proceedings under the Canadian Environmental Protection Act has clearly dropped compared to previous years.

Similarly, the minister mentioned the CEPA regulations. The report in which the standing committee criticized the fact that there are hardly any regulations respecting the CEPA must have escaped the minister's attention.

The minister also announced that the government's response to the standing committee's report on the CEPA would follow shortly. The minister might be tempted to table a bill reflecting the centralizing designs of the Liberal members of the committee, but I would caution her against it.

In the last referendum, the people of Quebec have clearly indicated that they will no longer tolerate the federal government's highhanded and centralizing approach. The Bloc Quebecois and myself are anxious to see if the minister got the message and acted on it.

I wish to stress the fact that this government's attitude since coming to office and the episode of the Environmental Assessment Act, which raised an outcry, have left a bad taste in the mouth of provincial governments. Co–operation between the various levels of government must not be taken for granted, and the minister has already gone beyond the limit of what can be tolerated in many respects.

As far as air pollution is concerned, it is obvious that the minister is walking on eggs. According to the OECD, Canada's performance is far from enviable. While, clearly, some provinces have simply not taken their responsibilities, the minister can hardly brag about her own performance.

The minister's proposal at the recent summit in Berlin to literally deliver permits to pollute, as well as her bill on MMT, which could result in a significant increase in greenhouse gas emissions, are evidence of her poor performance.

I also note that Bill S–7, which seeks to introduce the use of more environment friendly fuels for the federal fleet of vehicles, is not an initiative of this government, but of Senator Colin Kenney.

Finally, I want to point out that the OECD report presented to us today concerns the provincial governments just as much, if not more. Indeed, in its report, the OECD recognizes that the provinces assume most of the responsibilities related to management of the environment. Canada still has a long way to go before it can claim to be a leader in environmental issues.

The OECD's criticisms primarily concern provincial governments. It is up to them to take the initiative and to reduce pollution, improve management of our natural resources, and improve integration of the economy and the environment.

I also think that it would be in the best interests of the provinces to take a direct part in signing international agreements. That way, they would have no excuse for not reaching objectives they themselves have set.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the OECD report shows that we are doing fairly well, but there is more that we can do. We have embraced the concept of sustainable development, but like many countries we have had trouble in translating this into reality. Encouragingly the minister agreed with this.

In the face of this admission the government has produced a pea soup agenda with respect to the environment, this even after a superb report by the committee on the environment that was completed earlier this year and was lauded in many quarters.

I ask the Minister of the Environment why is she putting bills such as the environmental auditor general forward when the functions of the environmental auditor general can be co–opted by existing structures?

• (1535)

Why are we talking in the House about banning MMT and spending enormous amounts of money and time on this issue when there is no reason to ban it for reasons of health? There is a lot of evidence to show that MMT does not damage onboard devices, the basis on which the Deputy Prime Minister is trying to ban it.

The government is taking up these issues when there are other larger, pressing, persistent and dangerous issues affecting Canada's environment as we speak.

First, the OECD report states that Canada has not been exporting toxic materials to other countries since we signed the Basel convention in 1992. The investigative unit of the minister's department shows that Canada is exporting highly toxic materials to non–OECD developing nations such as Hong Kong, China, India, Thailand and South Korea. The toxic substances being exported to these countries cannot meet the environmental standards we have in our country. These countries are taking toxic materials, stripping parts away, and burning them or dumping them in a fashion that is highly damaging to the environment.

Second, there are 26 sites in this country that pose a high degree of hazard to people, flora and fauna. There is absolutely no plan to address these toxic sites within our own border.

Third, the OECD analysis also showed that on a per capita basis we emit the highest levels of such damaging agents as nitrous oxide, carbon dioxide and sulphur dioxide. Yet in the face of this the minister wants to ban MMT which will greatly increase nitrous oxide emissions, which is a very important component of the smog that exacerbates respiratory problems.

Fourth, Canada refused to agree to be a signatory of an important section of the UN convention on the prevention of pollution from ships. As a result, one–third of the garbage on some of the most pristine and protected beaches in the British Isles comes from Canada. I would ask the hon. minister to please look at that.

I agree with the minister's statement about working with industry to try and develop economic ways to help them become more sensitive to the environment, and in developing ways to use industry in a sustainable fashion. We would be happy to work with the minister on that.

I also applaud her statement on trying to protect our flora and fauna. It is a heritage that the people of the country have been given and in turn, we are obligated to give to future generations.

Our problems demand immediate action, not only for the benefit of all Canadians but for the benefit of people around the world. Our environment is not only shared with those within our country, it is shared by all people on the planet. We have only one planet, only one environment and only one opportunity to make sure our environment will be sustainable and sound for coming generations.

We are at a watershed on the planet right now. If we choose to put forward sound plans for sustainable utilization of the environment, then we will have a world worth living in. But if we choose not to take this course of action, then the planet we know will not be what we were born into. It will be a very sorry place to live.

In southeast Asia a number of countries have gone full bore into developing their nations with very little respect for the environment. As a result great numbers of children are being born with genetic defects which are directly due to the polluted environment into which they are born. We must take heed of this and develop our country for the future in a way that we will not fall into this trap, for us and for the coming generations.

* * *

• (1540)

PETITIONS

YOUNG OFFENDERS ACT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is my honour to rise in the House today and present a petition on behalf of 2,500 constituents of my riding of Simcoe Centre. The signatures were collected after the beating of a young girl by a gang of girls in the city of Barrie.

The petitioners request that Parliament pass legislation to strengthen the Young Offenders Act, including publishing the names of young offenders, lowering the age of application and transferring serious offenders to adult court. I support these petitioners.

HUMAN RIGHTS

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I would like to present two petitions under Standing Order 36. The first petition is from residents in the communities of Athabasca and Smith in my riding.

The petitioners request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including the amending of the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

GUN CONTROL

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, the second petition is from residents from the High Prairie area of my constituency.

The petitioners request that Parliament support the laws which would 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; and 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 as to be inefficient and/or unenforceable.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills: Bill C-90, an act to amend the Excise Tax Act and the Excise Act; and Bill C-105, an act to implement a convention between Canada and the Republic of Latvia, a convention between Canada and the Republic of Estonia, a convention between Canada and the Republic of Trinidad and Tobago and a protocol between Canada and the Republic of Hungary, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

THE ROYAL ASSENT

[*English*]

The Deputy Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

November 8, 1995

Mr. Speaker,

I have the honour to inform you that the Honourable Peter de C. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 8th day of November, 1995, at 4.00 p.m., for the purpose of giving royal assent to certain bills.

Yours sincerely,

Anthony P. Smyth
Deputy Secretary
Policy, Program and Protocol

Pursuant to our standing orders, I wish to inform the House that because of the ministerial statement, Government Orders will be extended today by 19 minutes.

GOVERNMENT ORDERS

[*English*]

MANGANESE BASED FUEL ADDITIVES ACT

The House resumed from November 7 consideration of the motion that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed.

The Deputy Speaker: The hon. member for Bruce—Grey has the floor. Our hon. colleague still has 11 minutes remaining in his intervention.

• (1545)

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I am glad to be here today to speak to Bill C–94, the manganese based fuel additives act.

Yesterday I made the case for the onboard diagnostic equipment. I spoke of the process in an engine during the four–stroke cycle and the fact that when the fuel is burned in such a rapid sequence it exits the tailpipe and how it affects the onboard diagnostic equipment.

I will conclude my remarks by talking about the fuel as it comes out of the exhaust pipe and enters into the catalytic converter. A catalyst is a device that causes something to happen that would not have happened without this device. It basically changes the substance without changing itself.

I talked about what happens with regard to rhodium and platinum and palladium used in this device and how it affects adding or subtracting oxygen and the fact that we added or subtracted oxygen by triggering certain devices by computer controlled mechanisms.

In the House we talk about problems in Canada. We have interprovincial problems. Sometimes because we do not have natural enemies we spend a lot of time navel gazing or talking about other things. It is important, particularly when it comes to the environment, that we act collaboratively and work hard to try to do the best for our country.

The environment is quite fragile. It is quite integrated. As we get more and more knowledgable about it, we understand how important it is and how important it is to interact with it and when we do the right things what the environment can do for us in terms of giving us healthy lifestyles. Given the fact that air will migrate across states and across provinces, it is very important that we have collaborative action to look after that. It does not matter how small those applications are in terms of looking after the environment. We have to act.

I am reminded of the fellow who said if you think cleaning up the environment is hard, trying cleaning out your garage.

As the House gives final consideration to Bill C–94, I would like to explain the background to this legislation and what it seeks to accomplish.

MMT is the commonly used acronym for a more tongue twisting name: methylcyclopentadienyl manganese tricarbonyl. This is a manganese based fuel additive used to increase the octane rating of gasoline.

MMT was first viewed as a replacement for lead in gasoline. In Canada it has been used since 1977. As all members are aware, lead was phased out of virtually all Canadian gasoline by 1990. The phase–out has brought considerable improvement to urban air quality.

If I may compare MMT to lead, heaven forbid—I think lead was probably more dastardly and more harmful—we would notice that when we try to fill our car up the nozzles for the new gasolines are smaller and the hole is smaller so we cannot use the old nozzles in cases where they have lead.

Lead had its positive points. It was an octane additive. It was used to increase the combustion chamber pressures. If you increase the compression ratio you get higher initial pressure, higher final pressure, and more power. Older cars went up to something like 11:1 compression ratio.

The lead itself actually stops the gasoline from blowing up. Gasoline becomes unpredictable. For those who drive their vehicles very hard, especially some of the older model cars, and turn the ignition switch off with their foot on the accelerator pedal and the car runs on, it is called dieseling or after–running. It is sometimes caused by a hot carbon particle setting the gasoline on fire, although it is not electronically triggered by the sparkplug. It is just the heat that is left in the residual amount of carbon left in the combustion chamber that actually sets the gasoline on fire.

These octane enhancers try to predict or control this explosiveness or the volatility of the gasoline so that it works under controlled processes. When it is controlled it burns a little better and you get better reaction from it and you can control the work it is doing. You are changing heat energy to mechanical work in an engine.

• (1550)

Today almost every Canadian motorist uses MMT, simply because Canadian refineries use it. The exact amount of MMT may vary from one batch of gasoline to another. In general, premium grade gasoline contains a higher MMT level than regular grade gasoline.

MMT has always been controversial. In 1978 it was prohibited for use in unleaded gasoline in the United States because it

was suspected that the substance could damage emission control equipment. Despite recent moves to reverse the U.S. prohibition, MMT is certain to have no place in the high tech cleaner fuels for the future.

Hon. members from the opposition party and the Reform Party have made the case that there is not enough evidence. I have seen films from the automotive manufacturers, and they have said categorically and have shown that the catalysts in the converters are coated at a faster rate. The person who will lose in this case is the consumer.

If Ethyl Corporation and the automotive manufacturers want to work something out, we do not want to be the referee. The federal government has spent a lot of money because members of the opposition and sometimes our own members have asked the government to do certain things. We end up spending a lot of money and sometimes the resultant solutions are not that good.

Look at the Krever report on blood contaminants concerning things that have happened in the past. Those proceedings are going on and on; it is going to cost us millions of dollars and will probably result in a lot of lawsuits from people about things that have happened in the past. It seems the only people who get a lot of jobs are lawyers. I am sure my lawyer friends are going to be mad at me, but that is a problem with some of the things that happen here.

In this case, the federal government should not intervene in a dispute between the Ethyl Corporation and the automotive manufacturers. It has to make a decision on behalf of Canadians and the environment. That is what this decision is all about.

Canada is being forced to confront the downside of MMT not because a new environmental threat has emerged but because we are getting better at countering those threats.

Cleaner air involves using cleaner fuels as well as cleaner cars and trucks. While research has continued on the product we put into our gas tanks, it has also continued on our hardware, the engine that burns the fuel and the control equipment that lowers emissions. Technological advances have steadily cut the harmful emissions coming out of tailpipes.

Now we have taken another major step toward the introduction of sophisticated onboard diagnostic systems, which are known as OBDs. These systems are extremely valuable for the environment. They are responsible for the monitoring of the vehicle's emission controls and alerting the driver to malfunctions. They ensure the cleaner burning engines of today and tomorrow operate as designed. They ensure automobiles are properly maintained, resulting in decreased tailpipe emissions and improved fuel economy.

This is a very important technology, but it is even more important that it works, that it does the job properly on the new cars. This is where the problem arises.

The automobile manufacturers are convinced that gasoline containing MMT adversely affects the operation of sophisticated onboard diagnostic pieces of equipment. Accordingly, the industry has made the decision that it will not accept the risk of increased warranty repair costs caused by MMT related damage. Some companies have even indicated they will disconnect the OBD systems in whole or in part if MMT continues to be used in Canadian gasoline. That means the cost of maintaining these systems could be passed on directly to Canadian consumers and Canadian consumers would pay more to operate these new cars.

What we have here is a conflict between two key industrial sectors, the automotive manufacturers and the oil industry. The car makers insist that MMT harms their product, forcing them to adopt practices that may raise prices for consumers.

• (1555)

The oil industry claims that MMT reduces nitrogen oxide emissions by up to 20 per cent, but the figure is subject to dispute. In any case, alternatives to MMT are available. By the industry's own estimates, the cost of MMT removal translates into an increase of 0.1 to 0.24 cents per litre at the pump, which is a negligible amount, given that gasoline prices regularly fluctuate by a few cents per litre.

The Minister of the Environment urged both industries to find a voluntary resolution to the issue of MMT in Canada by the end of 1994. She said that if they did not do so the government would take action. The deadline was subsequently extended into February of this year to review automotive and petroleum industry proposals. Unfortunately, the matter was not resolved, so the federal government proceeded with Bill C–94.

Allow me briefly to explain the key provisions of the bill. The legislation will prohibit the import or interprovincial trade for a commercial purpose of MMT or unleaded gasoline containing MMT. It will give the Minister of the Environment the power to authorize exceptions for MMT, which will not be used in unleaded gasoline, subject to a monitoring requirement. Coverage of the act can be expanded by order in council to cover other manganese based substances. The act is binding on all persons and entities, including federal and provincial governments.

I believe that the initiative taken by the government is correct. I feel that the onboard diagnostic equipment malfunctions outweigh the gains we can achieve with respect to nitrous oxides. We could control the nitrous oxides. The OBD systems will give us better fuel economy and better burning engines, resulting in fewer emissions to the environment.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I am pleased to have the opportunity to speak today to third reading of Bill C–94. I am pleased to speak for two reasons. First, it will give me the opportunity to show Canadians a sad example of bad legislation. Second, speaking today allows me to reveal again how the government's inability to display good judgment will cause Canadian industry, the consumer, and the overall environment to suffer.

On May 19, 1995 Bill C–94 was introduced in the House of Commons by the Minister of the Environment. After introduction the minister proceeded to hold a press conference, where she informed reporters that the reason for banning MMT was because it caused problems with onboard diagnostic systems in new automobiles. That was not the only reason the minister proceeded to ban MMT. She stated that Canada was one of the few countries in the world using MMT in unleaded gasoline and that this should change.

The minister knows very well what the best solution to the entire debate would be. She knows that a series of independent third party tests are needed, but she will not initiate this or facilitate it.

As members of the House and, more important, as representatives of all Canadians it is important we weigh and pursue every available option to come up with an appropriate conclusion before we create legislation. We should be asking ourselves: What indeed is the best science can tell us?

The Liberal government calls itself responsible. What is really meant by the term responsibility, in view of Bill C–94? On these technical matters it certainly does not hurt to demonstrate and then legislate. That is not too much to ask.

We know that at the time the bill was introduced MMT was not yet approved for use in unleaded gasoline in the United States. Since 1978 MMT has not been in U.S. fuel. In 1978 the Environmental Protection Agency did not approve MMT because it felt it might be detrimental to the health of Americans. Understanding what the Americans did with respect to MMT is very significant to what this government is trying to do with Bill C–94.

In the U.S. there was an air quality act brought forward by Congress in 1967. The act established a registration program for fuel additives. The regulations made registration a condition of sale and required that manufacturers provide information on the recommended range of concentration and use and chemical composition and structure.

• (1600)

In 1970 Congress amended the act to transfer authorization of the registration program over to the EPA. Congress required that the EPA designate fuels and fuel additives for registration. The clean air act required that manufacturers provide information on the chemical composition to the EPA. The EPA also had the authority to judge the effects of additives on emission control performance and public health.

In 1977 Congress made more amendments to the clean air act. One amendment dealt with the emergence of catalytic converters in automobiles. I will read what the courts had to say about the new amendment and the effect it would have on MMT:

> As catalytic converters could not be used with leaded fuel, their adoption had led to a sharp rise in the use of MMT as an octane booster, and Congress responded to concerns that it and other fuel additives might harm the effectiveness of these converters. Section 211(f)(3) required that manufacturers of certain existing additives, those that were "not substantially similar" to constituents of fuel used in the certification of vehicles for emission purposes for 1975 or later model years, stop distributing such additives effective September 15, 1978.

Congress directed the EPA to grant a waiver once it determined that the additive would not cause or contribute to the failure of an emission control device system. The EPA deliberately stalled on making a decision until the courts instructed it to do the testing.

On November 30, 1993 the EPA found that MMT did not cause or contribute to the failure of emission control systems. However, not wanting to be outdone by the courts, the EPA denied the waiver on the grounds that the manufacturer, Ethyl, had not yet established the absence of health effects.

The court wrangling continued until October 20, 1995 when the United States Court of Appeals, in the case of Ethyl Corporation v. Carol M. Browner, administrator of the United States Environmental Protection Agency, ruled:

> We order the EPA to register MMT for use as an additive in unleaded gasoline, as of November 30, 1993.

What is significant with this ruling is not that Ethyl won and that MMT could be sold in U.S. unleaded gasoline by the end of the year, but rather it is the process that was undertaken by Congress and then the EPA not to approve MMT in unleaded fuels. Back in 1978 the EPA said that MMT might pose a health problem and cause adverse effects to catalytic converters, but through the examination of all evidence by the courts these negative concerns were put aside.

The EPA has until December 4, 1995 to appeal the decision made by the court. Considering that it did not appeal an earlier decision this year it is doubtful it will appeal the October 20 ruling. The implications of this are rather ironic. When the bill was introduced in May both the environment minister and the industry minister said that eliminating MMT from our gasoline was essential to achieve a North American harmonization of fuel. They said we should copy the Americans.

sBoth ministers were confident that the ban on MMT would remain in the United States. On May 5 I asked the environment minister during question period about the fact that the courts would probably rule in Ethyl's favour. In response he stated:

I advise the hon. member that last week when I had the opportunity of speaking with Carol Browner, head of the EPA, she reaffirmed the U.S. commitment not to allow MMT. She decried the fact that there is only one country, Canada, that still allows MMT. We intend to change that.

The Minister of Industry has gone further than his colleague, the Minister of the Environment. On April 25 in a question period response he told me:

Key to that is uniformity of standards between the U.S. and Canada. The member will know that MMT is not permitted in the United States by legislation. It is crucial that we have uniformity of standards. The effort we put into trying to ensure there was a voluntary agreement between the two sectors has been well placed, but finally governments have to decide.

The Ministry of Industry has clearly stated on the record that it is important U.S. and Canadian gasoline need to have the same composition harmonization. That is his position and he will no doubt vote in favour of Bill C–94. The government is confused. I thought the definition of harmonization was two sides being in harmony with each other. I guess the minister has a different definition as MMT is now going to be used in the U.S.A.

The industry minister is not the only one who has different ideas of harmonization. During the clause by clause consideration of the bill I moved the motion that we hold off on the bill until December 5, 1995, one day after the EPA's 45 allotted days to appeal the court ruling. The U.S. ruling was not only significant for Ethyl Corporation but was equally important for the Canadian consumer. I point out a statement by the member for York—Simcoe in rebuttal to my motion:

I think in terms of what's going on in the United States. The decision that was encountered recently regarding MMT was based on some technicality. We also have to give consideration to the fact that MMT is banned in California and some of the high ozone states.

• (1605)

The Deputy Speaker: I am sorry to interrupt the hon. member. He may continue his intervention after we return from the Senate.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Government Orders

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1610)

[*Translation*]

And being returned:

The Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, Royal Assent to the following bills:

Bill S–9, an act to amend the Canada–United States Tax Convention Act, 1984—Chapter 34.

Bill C–71, an act to amend the Explosives Act—Chapter 35.

Bill C–90, an act to amend the Excise Tax Act and the Excise Act—Chapter 36.

Bill C–105, an act to implement a convention between Canada and the Republic of Latvia, a convention between Canada and the Republic of Estonia, a convention between Canada and the Republic of Trinidad and Tobago and a protocol between Canada and the Republic of Hungary, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income—Chapter 37.

GOVERNMENT ORDERS

[*English*]

MANGANESE BASED FUEL ADDITIVES ACT

The House resumed consideration of the motion that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed.

The Deputy Speaker: The hon. member for New Westminster—Burnaby has the floor for his remaining 10 minutes.

• (1615)

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, before we left for the Senate I was quoting the member for York—Simcoe. She had said:

I think in terms of what's going on in the United States. The decision that was encountered recently regarding MMT was based on some technicality. We also have to give consideration to the fact that MMT is banned in California and some of the high–ozone states— So any kind of justification for the fact that 100 per cent of the United States is not going to be using MMT is simply just not acceptable because that's not true. At least 30 per cent of the country will not be having MMT usage at all.

When I was a youngster in elementary school and I thought I might be embarrassed, I would perhaps dissemble to get out of

trouble. The comments made by the member for York—Simcoe in the environment committee show that the government's back is up against the wall and it is now saying anything it can to save face. The policy of the government is clear: legislate how the minister feels, or wants to favour someone, rather than by what is right in view of legitimate evidence.

When MMT is reintroduced into the United States later this year probably 70 per cent of the gasoline will have MMT in it, if we use the numbers from the member for York—Simcoe. Let me also point out that the environmental restrictions in California are different from any of those used in other states. I have often heard the description that California is a country all of its own. If California lifted the ban on MMT I am certain the members of the Liberal caucus would find some other reason it is important to ban MMT.

When the EPA attempted to ban MMT it mistakenly believed it was harmful. The Liberal government wants to ban not the substance but rather the importation and interprovincial trade in the substance. This is clearly an anti–free trade bill. Some would ask the reason for doing it this way. The government has no other choice. When it is unable to do something through the proper channels, old style Liberals find other ways.

This is the government that told the Canadian electorate following the last election that it would show credibility and responsibility and be forthright with the public. Here is another example that can be added to a long list of old style governance and politics.

Every Canadian should ask the Minister of the Environment why she did not go through the proper channels and ban MMT under the Canadian Environmental Protection Act. She is the sponsor of this legislation so why did she not use her department's act, an act that was designed specifically for banning harmful substances. The answer is simple. She could not. There is not a scientific basis for it. MMT appears to be no more harmful than household dust on the furniture.

In order to add a substance to the schedule of banned substances under CEPA it must be proven by Health Canada that the substance is hazardous to the health of Canadians. Anyone who has listened to any of the debates on this bill is well aware of the December 6, 1994 Health Canada report called "Risk Assessment for the Combustion Products of MMT". It states that "all analyses indicate that the combustion products of MMT in gasoline do not represent an added health risk to the Canadian population".

On October 18 a Health Canada official appeared before the Standing Committee on the Environment and Sustainable Development and concurred that the 1994 report remains the position of the department. Therefore I urge all members of the House not to include in their speeches during this third reading stage any reference that the removal of MMT will improve health quality. I heard several government members make a mention of this during second reading. It is a false and inaccurate assertion. A member may make an unforeseen mistake, however in this case, the evidence gives clear direction concerning what can be claimed.

From the outset Reformers have unequivocally stated that we would support the banning of MMT if the government could prove through an independent scientific test that MMT was harmful to the automakers onboard diagnostic systems or OBD–IIs as they are called in the industry. However the minister has only scoffed at Reform for even suggesting independent testing. The Motor Vehicle Manufacturers Association has provided her with their test data and that is all the data she apparently needs or wants to see.

When the petroleum companies appeared before the committee they suggested they would have a tremendous amount to lose should MMT be removed from Canadian fuels. In their testimony it was suggested that the removal of MMT could result in an increase of manufacturing costs by as much as $69 million per year.

• (1620)

According to the Canadian Petroleum Products Institute, the $69 million increase would be due to the fact that refiners would have to burn more crude in order to achieve the high octane levels needed for today's automobiles. They would also have to retrofit refineries. Other expensive additives would have to be used which might eventually be revealed to be very harmful.

This bill has been through the various stages. I want to make it clear that at every stage Reform has made every attempt to put the bill on hold until conclusive proof is found. We have not been obstructionist. We have called for common sense, not unreasonably siding with any group, unlike the government.

I want to read into the record parts of three letters I have come across, all from provincial ministers of the environment and all concerning MMT. First, from the Hon. Vaughn Blaney, Minister of the Environment for the province of New Brunswick:

> Given that neither the federal government nor the motor vehicle manufacturing industry have provided the information and assurances that this province and the refining industry have requested regarding the economic and environmental impacts of this bill, and given the current discussions on use of this compound in the United States, I would hereby request that this bill be set aside until the questions raised have been clearly responded to by Canada and a decision on the continued use of this additive is taken in the United States.

From the Hon. Wayne Adams, Minister of the Environment for the province of Nova Scotia:

> I realize that there are conflicting reports respecting pros and cons of MMT use. However, the task force should consider the potential increase in NOx emissions, higher production costs, and higher energy demands associated with the manufacture and use of a non–MMT gasoline. I believe that it would be prudent to withhold a final decision with respect to fuel reformulation and MMT until such time as all stakeholders have had sufficient opportunity to assess the available information and the question of MMT is settled in the U.S.

From the Hon. Bernard H. Wiens, Minister of the Environment and Resource Management for the province of Saskatchewan:

> The province understands the importance of the automobile manufacturing industry in Canada, however, our petroleum refining industry continues to be concerned that the removal of MMT would cause substantial cost increases for their industry. In addition to the cost implications, increased greenhouse gas emissions as a result of intensified refinery processes required to replace MMT, and increased vehicle tail–pipe emissions of smog forming Oxides of Nitrogen (NOx) would also occur. The data supplied to date by the automative industry does not identify a net air quality benefit and as such, we have difficulty rationalizing the cost to the refining industry or consumers.

The issue of NOx benefit is a serious one. NOx emissions are major contributors to urban smog. As well, there is no disputing that the presence of MMT in unleaded gasoline actually reduces smog as it complements complete combustion. All of the experts agree, including those from Environment Canada. The only dispute is about the appropriate amount.

Environment Canada officials claim that the amount is 5 per cent whereas Ethyl and the petroleum companies claim it is closer to 20 per cent. Whatever the number, the result is that MMT reduces NOx emissions, it certainly does not increase it.

One of the most interesting aspects of this entire debate is the absence of the Minister of Natural Resources. Within the minister's purview are the many refineries and coming from the capital of the oil industry one has to wonder what her opinions are. When asked whether or not the natural resources minister is in agreement with Bill C–94 the environment minister stood up and stated: "I would point out that any cabinet decision to move on MMT is supported by all ministers of government".

However, in the final outcome, the Minister of Natural Resources will have to explain her actions to her constituents. I doubt the scientists and technicians of her department support the bill. They have been muzzled and disallowed from expressing their own personal and professional views.

Can the Minister of Natural Resources really stand in the House and vote for such changes as proposed in Bill C–94? May I remind her that she won by one of the smallest margins in the last federal election. If I remember correctly there were several recounts. I suggest the minister make her voice known around the cabinet table instead of succumbing to the unreasonable pressure of the Minister of the Environment.

Since the very beginning Reform has pushed the environment minister to do independent testing and let the auto manufacturers and Ethyl Corporation work things out themselves. The minister could not believe that I would suggest such a thing. She was adamant that the auto manufacturers were correct and that was that.

I have some new information about a recent development. I hope each of my hon. friends across the floor, including the Minister of the Environment, will be listening very closely. The American Automobile Manufacturers Association and its members are continuing to develop an MMT vehicle test program. They expect to co–operate with the makers of MMT. The industry is talking about the pursuing a sharing of data about the effects of MMT on OBD systems. It looks like the industry can solve the problem itself without government interference.

• (1625)

It is time for the environment minister to change her headstrong approach. When industries are willing to work together to find common ground, the government should stay clear. If the Minister of the Environment is too willing to interfere, I can only ask the question, why? If the minister wants to have a credible legacy in the environment portfolio I would suggest that she put aside this bill and let it gather some household dust.

The government's lack of a meaningful legislative agenda for the country is now noticed by the political observers. The country is falling apart on the tenets of the fundamental agreements that made the Confederation of Canada, yet we are dithering over MMT in car gas. The sense of proportion for government is missing at this critical point in our history.

If we must regulate gasoline additives for the country, then let the minister come forward with a bill that deals with rules and an open process for any substance that does not come under the Canadian Environmental Protection Act. This anti–free trade bill before us today will likely be challenged on the reasonable basis under the NAFTA provisions. I think the intervenor should win on the merits against the government as everything our party has said on this matter would support such a challenge. It is my assessment that the government is in a very weak, unjustifiable position on that count but is hoping that it will slip by.

Reformers say to the Minister of the Environment give up on this misguided track and get on with saving the country.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, seldom in recent times have I witnessed a debate into which so much misinformation has been injected and so much confusion has been put on the record in order to create a lack of confidence in the actions of the government.

With all due respect to the member for New Westminster—Burnaby, this matter is not a new one. It is not one that has prompted the Minister of the Environment and the government to make a rash decision. It has been around for some time.

If I remember correctly, in October 1993 the Minister of the Environment announced that if the petroleum industry would not take voluntary action to resolve the issue of MMT in gasoline by the end of 1994, she would have to take action to prohibit its use. This deadline was extended to February 1995.

This decision has a long history. The government has carefully watched a dispute between two industrial sectors and despite the prompting and the time extension, a solution was not found and it was found necessary to intervene. In the face of the inability of the two major stakeholders and one proponent to meet and come to an agreement on MMT, the onus must fall on the government to determine what needs to be done in the public interest.

The most informed judgment available at the time in this case was the judgment that MMT as a fuel additive had to go. So much for the accusation that the government has not thought it over and has not given the parties sufficient time to come to a solution on their own. This matter was also pointed out when we had our hearings in committee.

A number of issues are at stake. One issue is the question that emission systems would fail prematurely because of the presence of MMT in gasoline. There is the issue of unnecessary repair costs when these emission systems are not plugged in. Millions of motorists would be affected by the presence of MMT in the new model cars. Data and analyses only come from companies that make MMT or from automakers and the government as an independent agency has to judge both and decide which way to go. There is the risk of increased warranty repair costs to the consumer and the possible reduction of the warranty coverage for Canadian motorists.

• (1630)

An overall encompassing issue and a matter I would like to bring to the attention of those who oppose this bill is that technological progress is pushing legislative changes. That is what it boils down to. This is technology which is moving ahead and is impossible to ignore. We must take that fact into account and find ways of protecting the consumer. I am sure the constituents in Athabasca, the constituents in New Westminster—Burnaby and the constituents of that great Canadian patriot from Laurentides will all benefit from this measure.

Cars coming onstream into the marketplace have OBDs, the onboard diagnostic systems, which will ensure that the mix of emissions produced are under control in the most advanced levels that technology has reached. If we do not remove MMT from gasoline, this technology cannot be utilized by the consumer. The manufacturer of the car, as we were told in committee, will simply disconnect the diagnostic system from the engine.

Initially I had some difficulty understanding what manganese does. I found it very helpful to hear the explanation given to us by people in the know who made two points.

The exhaust of an engine passes over the specially coated surface of a catalytic converter, which we all know is that little box under the car which was installed some time ago in order to reduce car emissions. When the exhaust gas passes over it, certain pollutants are removed. Manganese is produced by virtue of the consumption of gasoline in the engine. If the manganese covers the surface of the catalytic converter, then this type of catalytic converter cannot function properly. As a result, vehicles will pollute more over time. Here is the link between the effect of manganese and the catalytic converter in a very linear form.

Engines in recent times have adopted the technology of oxygen sensors. They determine how much oxygen goes into the air and fuel mixture in the engine. If manganese is used in gasoline, over time the manganese will coat the sensors. When it coats the sensors, the sensors give a false signal that air must be injected into the mixture. As a result the engine consumes more fuel because the air–fuel mixture becomes too rich.

• (1635)

The cars built for the North American market are equipped with onboard diagnostic systems. The system tells the motorist when the emission equipment must be looked at. Unlike the emission inspection systems of the past, the onboard diagnostic system identifies the first moment the vehicle begins to pollute excessively. That is important to remember because unlike what we were told by the hon. member for New Westminster—Burnaby, there are health implications. There is no need, thanks to the onboard diagnostic system, to have inspection stations, to wait in line ups, to pay inspection fees, and the like.

The majority of motorists whose vehicles are not polluting excessively need not be inconvenienced. All they need is the onboard diagnostic system. It helps the motorist and the environment. It improves the control of the emission of various gases produced in the combustion engine.

The oxygen sensors are important. We must keep that in mind. The catalytic converter is important. The removal of manganese is a function of the performance of these two items, the catalytic converter and the sensors.

We want to achieve something which is good for the consumer and which is also good for the quality of the air we breathe, particularly in densely populated urban centres from Vancouver to Halifax.

A number of red herrings have been brought forward during the debate. I will not spend too much time speaking on the comments which were made the other day by the great patriot from Laurentides when she had to drag in and quote Terence Corcoran of the *Globe and Mail* who was criticizing the Minister of the Environment in a rather pathetic way. If it were up to Mr. Corcoran, our environmental standards would quickly return to the middle ages. The criticism was that the removal of MMT would produce more pollution. The theme of the hon. member for Laurentides was also picked up quite extensively by the hon. member for Athabasca. He was very strong in committee on that.

In committee we heard the views of Ethyl Corporation, which is opposed to the bill, as it was opposed to the removal of lead in gasoline 10 years ago, and quite adamantly so. We also heard views from the car manufacturing industry. We had to conclude that the claims about increased pollution as advanced by Ethyl Corporation were seriously exaggerated. They were based on data collected by Ethyl from test cars and not on data from a Canadian fleet. I am told there is a big difference between the two.

The Canadian fleet tests took into account world operating conditions and concluded that the NOx reduction was more in the order of 5 per cent than the 20 per cent claimed by Ethyl. The claim that removing MMT will lead to a higher production of NOx is one that has not been sufficiently and clearly substantiated in our committee hearings. Actually, the matter was put to rest quite effectively when we heard that the operation of the diagnostic system permits a control of all polluting gases produced during the combustion process. This is important. The overall impact of the diagnostic controlling system is that it will reduce the overall engine pollution in all of its components, namely carbon monoxides, NOx and hydrocarbons.

• (1640)

With respect to the lack of provincial support, a letter was read from the New Brunswick minister of the environment. I believe we also received a letter from the Saskatchewan minister, but we certainly have not received a letter from the minister of the environment for British Columbia. We understand that British Columbia is very much in favour of this legislation. We have not heard from the province of Ontario, which I suspect is also very much in favour. I suspect the same for the province of Quebec. I believe that the provinces, by and large, have expressed either directly or indirectly considerable support.

I submit with all due respect to my knowledgeable and esteemed colleague from New Westminster—Burnaby, it is hard to believe that this matter could be put into the category of being an anti–free trade measure. This measure really does not have to do with free trade.

The NAFTA agreement gives much relevance to matters related to labour and the environment. This comes clearly under the environmental heading. It is a very legitimate initiative and it is certainly not motivated by anti–free trade reasons.

I dealt with interference by the minister earlier. This is an intervention by the government by two ministers who, after having exhausted all alternative avenues, had to conclude there was no other course of action relevant than to proceed and provide the necessary protection for the consumer.

The technology is inexorably moving ahead. We have reached a new plateau in the knowledge of how to control and reduce pollution emitted by motor cars. We have to move with the technology. We have very little alternative other than to allow the disconnecting of the onboard diagnostic system by the car manufacturer if manganese is not removed. Surely that measure would be reminiscent of another era when we pretended that certain evidence was not staring at us and we looked the other way because we did not like the evidence.

We have to take the evidence into account. We would be seriously criticized and quite rightly so by members of the opposition if we were inactive on this matter. In the end this measure will lead to a reduction in air pollution in highly populated areas. The performance of the engines will be improved. There will be an improvement in mileage with the same consumption of fuel, and there will be an improvement in terms of reduced emissions.

• (1645)

We all know from studies conducted by a number of esteemed medical doctors that there is a connection between air pollution and hospital admissions, particularly in connection with asthmatics. These have been measured in the past. They have been scientifically supported by way of printouts of admissions to various hospitals in the province of Ontario. This fact cannot be denied.

It seems to me that for all these reasons we are moving on the right track. If we did not do that we would be in the same league as countries like Bulgaria, Argentina or perhaps Taiwan. Let me see what other countries are still using manganese in gasoline: Russia, the Ukraine. I am sure that sooner or later, if their automotive technology will allow, they will be glad to also move away from the use of MMT.

We are moving from one stage of improvement in technology to the next. In the 1980s we were concerned with lead. In the 1990s we are concerned with MMT. In another decade we will be concerned with some other aspect of this technology. But it is quite clear that as the number of vehicles on the roads increases and as the population increases and as the number of people who want the freedom of movement a car allows increases, we will have to tighten up the system and find ways to reduce the pollution that accompanies the operation of a car.

In that context, this measure makes sense and fits into the progression. It is not the first step of this nature, because we already took an important step in the 1980s by removing lead from gasoline, and it will not be the last. There will be other measures following in the years to come.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I have a couple of questions concerning the member's presentation.

He stated that this issue has gone on for some time. I would accept that. I heard the suggestion that the two sides were unable to reach a conclusion. I would ask him how he could realistically expect the two sides to ever come to any agreement after the minister made this statement, prior to October 1993, that she was prepared to ban the use of MMT. How can he realistically expect the Motor Vehicle Manufacturing Association to continue to bargain in good faith after that statement was made and it was clear what would happen if no agreement was achieved?

This member in committee clearly stated that he was no expert in these matters. We heard evidence presented before the EPA and two court challenges in the U.S. that there has been significant failure of OBD technology in the U.S. There is just as high a failure rate there without MMT as there is in Canada. This evidence was presented by experts in the court as well as before the EPA. Even his own members on the committee expressed serious doubts as to the validity of the evidence. Why does he then as a layman accept unquestionably the evidence provided by MMT as to catalytic converter problems and all the rest of it?

• (1650)

Why does the member insist that this has no implications on trade or that it is not a trade matter when clearly section 1209 of the energy chapter of the draft agreement on internal trade reached with the provinces states that no party shall prohibit or hinder access to its petroleum markets or its petroleum product markets? How then can this bill not affect trade?

Mr. Caccia: Mr. Speaker, the Minister of the Environment became a minister after the election in 1993. She made the statement after being appointed in October. I am not aware of any other statement she made before that.

In the red book there was a commitment to sustainable development. There was a commitment to a number of pollution prevention measures. This fits perfectly within the general principle of pollution prevention, I submit to the hon. member.

There was a valid question on how can the two parties come to a realistic agreement. They can if they are given the time. Since a year and a half as of last June has elapsed, one can conclude that the two parties are unable to arrive at a satisfactory conclusion. There is a point when that institution called government, to which the public entrusts its interests, has to move. One could argue that it should have been done sooner. Some people would argue that it should have been done at a later date. That is question of judgment and a question of policy.

The other question had to do with trade and section 1209. The NAFTA agreement states that matters that are related to environmental policies would have to be taken into account before this particular section 1209 is invoked and put into effect. In other words, when Canada signed the NAFTA agreement in December 1993 it was done with a mutual understanding, and I think reinforced by the Americans as well, that there would always have to be consideration given to modifying the agreement either in the field of labour or in the field of the environment. This is a classic example that has been invoked.

As to the OBD systems in the U.S., I have been told that waivers have been provided to automotive manufacturers because of the complexity of the systems and not because they have failed in the field. This is in answer to the third question.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the member for Davenport began his speech by talking about red herrings. I think it is appropriate, because he seems to be a master at this.

The first red herring is the bill itself. At a time when our nation is facing a debt increasing by $100 million a day, at a time when we have a stalker who has killed and is taunting the police and our justice system needs repair, at a time when we have a gaggle of cabinet ministers huddling about what the meaning of national unity is, we are here debating Bill C–94 about manganese additives.

The member has some of his own red herrings, like the red herring of comparing manganese additives to lead based additives. The health officials say that this additive has no bearing on health and that it is not a harmful emission.

• (1655)

I would like to ask the member for Davenport why he would compare in such a way the manganese additives with lead based additives when the government itself has said there is no comparison.

Mr. Caccia: Mr. Speaker, I do not know whether I should be flattered or offended by being called a master of red herrings. I will leave it to my colleagues to judge me in that respect. Maybe I am more effective on that front than I ever thought.

The member from Chilcotin is very kind in drawing to my attention that manganese has no health effects, according to health authorities. He is correct. We were told that in committee. It is the effect on the diagnostic system on board that reduces the totality of the gas emissions that is the important factor. If that diagnostic system is not functioning properly, you have poor performance and more pollution. You do not want to have more pollution because that has an effect on health. It is in that context that I made that statement.

Why compare manganese to lead? It is not a question of comparing it. All I am saying is there is a progression. First we fought the battle of removing lead in gasoline, which today everybody accepts, but boy was it ever controversial 10 years ago: the sky would fall, jobs would be lost, refineries would go out of business—all things we were told in 1983. Perhaps I should also offer the information that at that time I was environment minister and this was part of my task. It was pretty dramatic as to the consequences of removing lead in gasoline, believe me.

In any event, it was done gradually. Today we consider that as a normal fact of life. There are positive effects in the health of children, the ones who suffer from exposure to lead when it is contained in gasoline. It is one of the reasons it was done.

It is part of a progression. First it was lead, now it is manganese. Ten years from now perhaps it will be another substance, because technology is moving ahead and legislators have to move as well. If we do not move with technology we will lose relevance. The public will justly think that the political institutions are no longer performing the job they are supposed to. I think that is the last thing we collectively would like to see.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I would like to ask the hon. member for Davenport why we even have this bill, when MMT is proven by the Department of Health not to be a health hazard to Canadians and there is ample evidence demonstrating that MMT does not affect on-board devices at all. I wonder why we are trying to ban this substance.

Mr. Caccia: Mr. Speaker, we have discussed this a few times. The Department of Health is saying that there is no proof that manganese is damaging to health. That is how it is being put. Nobody has said that manganese is a healthy thing. Nobody is saying that manganese is good for the environment.

Manganese is a heavy metal. Anyone who knows about heavy metals knows what that means and the importance of dealing with this substance in a proper manner.

[*Translation*]

NATIONAL HOUSING ACT

The House resumed from November 7, consideration of the motion that Bill C–108, an act to amend the National Housing Act, be read the second time and referred to a committee.

The Deputy Speaker: It being five o'clock, the House will now proceed to the taking of the deferred division at second reading of Bill C–108, an act to amend the National Housing Act.

Call in the members.

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

(*Division No. 368*)

YEAS

Members

Adams	Alcock
Althouse	Anawak
Anderson	Arseneault
Assadourian	Asselin
Augustine	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre/Sud–Centre)	Bachand
Barnes	Beaumier
Bélair	Bélanger
Bélisle	Bellehumeur
Bellemare	Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bethel	Bevilacqua
Bhaduria	Blaikie
Blondin–Andrew	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Caccia	Calder
Campbell	Caron
Catterall	Cauchon
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Comuzzi	Cowling
Crête	Culbert
Dalphond–Guiral	de Jong
Debien	Deshaies
DeVillers	Dhaliwal
Dingwall	Discepola
Dromisky	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Easter	Eggleton
English	Fewchuk
Fillion	Flis
Fontana	Fry
Gaffney	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)	Gallaway
Gauthier	Gerrard
Godfrey	Godin
Graham	Guarnieri
Harper (Churchill)	Harvard
Hopkins	Hubbard
Ianno	Iftody
Jackson	Keyes
Knutson	Kraft Sloan
Lalonde	Landry
Langlois	Lastewka
Laurin	Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape/Cap–Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Lefebvre
Leroux (Shefford)	Loney
Loubier	MacAulay
MacDonald	Malhi
Maloney	Manley
Marchand	Marleau
Massé	McCormick

McGuire	McKinnon
McLellan (Edmonton Northwest/Nord–Ouest)	McTeague
McWhinney	Ménard
Mercier	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Murphy
Murray	Nault
Nunez	Nunziata
O'Brien	O'Reilly
Pagtakhan	Paré
Parrish	Patry
Payne	Peric
Peters	Peterson
Phinney	Picard (Drummond)
Pillitteri	Plamondon
Pomerleau	Proud
Reed	Regan
Richardson	Rideout
Ringuette–Maltais	Robichaud
Robinson	Rocheleau
Rock	Scott (Fredericton—York—Sunbury)
Serré	Shepherd
Sheridan	Simmons
Skoke	Solomon
Speller	St. Denis
Steckle	Szabo
Telegdi	Terrana
Tobin	Torsney
Ur	Valeri
Vanclief	Venne
Volpe	Walker
Wappel	Wayne
Wells	Whelan
Young	Zed—180

NAYS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Bridgman	Chatters
Cummins	Duncan
Epp	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Grubel	Hanger
Hanrahan	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hill (Macleod)
Hill (Prince George—Peace River)	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest/Sud–Ouest)	Meredith
Mills (Red Deer)	Morrison
Penson	Ramsay
Ringma	Schmidt
Scott (Skeena)	Silye
Solberg	Speaker
Stinson	Strahl
White (Fraser Valley West/Ouest)—41	

PAIRED MEMBERS

Bakopanos	Bergeron
Bernier (Gaspé)	Bouchard
Canuel	Chan
Crawford	de Savoye
Gagliano	Grose
Guay	Guimond
Harb	Jacob
Jordan	Lebel
Leroux (Richmond—Wolfe)	Lincoln
Maclaren	MacLellan (Cape/Cap–Breton—The Sydneys)
Nunez	Paradis
Pickard (Essex—Kent)	Sauvageau
St–Laurent	Stewart (Northumberland)
Thalheimer	Tremblay (Rimouski—Témiscouata)

• (1725)

[*English*]

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

(Bill read the second time and referred to a committee.)

* * *

DEPARTMENT OF HEALTH ACT

The House resumed from November 7 consideration of the motion that Bill C–95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on second reading of Bill C–95.

[*Translation*]

Mr. Boudria: Madam Speaker, if you were to seek it, I believe there would be unanimous consent for applying the vote on the previous motion to the motion now before the House, and Liberal members will be recorded as voting yes to this motion.

Mr. Duceppe: Madam Speaker, members of the Bloc Quebecois will vote no.

[*English*]

Mr. Ringma: Madam Speaker, Reform members will vote for the motion, except those who might choose to vote otherwise.

Mr. Blaikie: Madam Speaker, New Democrats vote no on this motion.

Mrs. Wayne: Madam Speaker, I am voting yes on this motion.

[*Translation*]

Mr. Bernier (Beauce): Madam Speaker, I will vote for the motion.

[*English*]

Mr. Marchi: Madam Speaker, I was unable to be here for the first vote but I would like to be counted with the government on the second vote.

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

(*Division No. 369*)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Anawak	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre/Sud–Centre)
Barnes	Beaumier

Bélair	Bélanger
Bellemare	Benoit
Bernier (Beauce)	Bertrand
Bethel	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Boudria	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Oakville—Milton)
Brushett	Bryden
Caccia	Calder
Campbell	Catterall
Cauchon	Chatters
Clancy	Cohen
Collenette	Comuzzi
Cowling	Culbert
Cummins	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Duncan
Dupuy	Easter
Eggleton	English
Epp	Fewchuk
Flis	Fontana
Forseth	Frazer
Fry	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Gilmour
Godfrey	Gouk
Graham	Grey (Beaver River)
Grubel	Guarnieri
Hanger	Hanrahan
Harper (Calgary West/Ouest)	Harper (Churchill)
Harper (Simcoe Centre)	Hart
Harvard	Hayes
Hill (Macleod)	Hill (Prince George—Peace River)
Hopkins	Hubbard
Ianno	Iftody
Jackson	Keyes
Knutson	Kraft Sloan
Lastewka	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Loney
MacAulay	MacDonald
Malhi	Maloney
Manley	Manning
Marchi	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	McWhinney
Meredith	Mifflin
Milliken	Mills (Broadview—Greenwood)
Mills (Red Deer)	Minna
Morrison	Murphy
Murray	Nault
Nunziata	O'Brien
O'Reilly	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Phinney
Pillitteri	Proud
Ramsay	Reed
Regan	Richardson
Rideout	Ringma
Ringuette-Maltais	Robichaud
Rock	Schmidt
Scott (Fredericton—York—Sunbury)	Scott (Skeena)
Serré	Shepherd
Sheridan	Silye
Simmons	Skoke
Solberg	Speaker
Speller	St. Denis
Steckle	Stinson
Strahl	Szabo
Telegdi	Terrana
Tobin	Torsney
Ur	Valeri
Vanclief	Volpe
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Althouse	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Bachand
Bélisle	Bellehumeur
Bernier (Mégantic—Compton—Stanstead)	Blaikie
Brien	Caron
Chrétien (Frontenac)	Crête
Dalphond-Guiral	de Jong
Debien	Deshaies
Dubé	Duceppe
Dumas	Fillion
Gagnon (Québec)	Gauthier
Godin	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)	Lefebvre
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PAIRED MEMBERS

Bakopanos	Bergeron
Bernier (Gaspé)	Bouchard
Canuel	Chan
Crawford	de Savoye
Gagliano	Grose
Guay	Guimond
Harb	Jacob
Jordan	Lebel
Leroux (Richmond—Wolfe)	Lincoln
Maclaren	MacLellan (Cape/Cap-Breton—The Sydneys)
Nunez	Paradis
Pickard (Essex—Kent)	Sauvageau
St-Laurent	Stewart (Northumberland)
Thalheimer	Tremblay (Rimouski—Témiscouata)

[*Translation*]

The Acting Speaker (Mrs. Maheu): I declare the motion carried. Consequently, the bill is referred to the Standing Committee on Health.

(Bill read the second time and referred to a committee.)

[*English*]

Mr. Boudria: Madam Speaker, I rise on a point of order. I know the House is scheduled to terminate Government Orders at 5.49 p.m. If you were to seek it I think the House would give its consent to call it 5.49 p.m. and to proceed immediately with private members' hour.

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

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (1730)

[*English*]

AUDITOR GENERAL FOR THE FAMILY ACT

Mr. Chuck Strahl (Fraser Valley East, Ref.) moved that Bill C–322, an act to respecting the office of the auditor general for the family, be read the second time and referred to a committee.

He said: Madam Speaker, I count it a real privilege to rise this afternoon to lend my support to the Canadian family. I can think of few things in our country as important as the topic I am addressing this afternoon. In fact, if I raise my sights just a little higher, it is fair to say that worldwide few topics are as unifying as people's desire to look after their families.

The UN declaration that 1994 be the year of the family means that all of us, worldwide, need to care to preserve the family each and every year.

We have just gone through a distressing period in our nation and there may be more difficult times ahead before we are through. However, if strong families make a strong nation then today, more than ever before, we need strong families in Canada. I am proud to say that strengthening the family is the purpose of Bill C–322. Allow me to describe how this will happen by first describing the role of a familiar Canadian institution, the Auditor General of Canada.

As members know, Canada's auditor general does his excellent work by choosing perhaps a dozen government programs and departments every year and investigates them. He then reports any waste or inefficiency to Parliament. That is all he does. However, it seems to generate action in government. That is all the auditor general for the family would do too, except that it would investigate and report on behalf of the nuclear family in Canada.

The auditor general for the family would be a small, inexpensive office set up by Parliament. The legislation restricts it to just 20 people. By contrast, the current auditor general employs 600 people. Even the Status of Women Canada has 93 employees.

Many positive and important legislative changes over the years have been brought about by policy groups funded by the federal government to examine government programs as they affect that group. The government creates them when it perceives that a group is at risk in society and needs some help.

I mentioned the Status of Women Canada a moment ago because the secretaries of state also perform much the same function as would the auditor general for the family. We have secretaries of state for women, for youth, for veterans, for multiculturalism and science, among others. We have an auditor general for the environment. We have the National Council on Aging and the National Council on Welfare. We have advisory councils on forestry, on business, on libraries, on gender integration in the Canadian Armed Forces, on native peoples, on racial equality in the arts. I could go on and on.

What is there for the family? Precious little in the way of recognition by governments.

The kinds of advisory groups, or think tanks, I just mentioned are established when there is a broad public perception that a group is at risk. They have a definite policy focus and have a real effect on public policy.

Let us take the last annual report for the Canadian Council on the Status of Women as an example. That report is now two years old but it contains recommendations that sound very much like the government's agenda today. There were recommendations on a stalking bill, on female genital mutilation and on child custody, all issues that are understandably high on the government's list of priorities. In other words, by bringing these to the attention of the government they eventually became government policy and a government priority. I would like to see the family take a higher priority too.

If we wanted to create a group that would speak for the family, it begs an important question: Is the nuclear family in Canada really at risk? Polls reveal a broad public perception that the family is in trouble, but the federal government has not reacted to it. Perhaps it is because the Canadian family, at least in times past, has not been as politically correct an issue as hundreds of others that I could name.

A poll done by the Angus Reid Group for the International Year of the Family in 1994 told us that the public perceives the family as a group in crisis. Sixty–three per cent of all respondents to the survey agreed that the family is in crisis and 40 per cent agreed strongly. The poll told us more. Even more Canadians, 68 per cent, including single parents, agreed that the traditional two–parent family is the best type of family in which to raise children. There is certainly a clear, broad public consensus in Canada on the need to help the family, even the so–called traditional family.

• (1735)

There might be a broad public perception of need but are there other more objective indicators of need to which we can point? You bet there are. This year the Department of Human Resources Development, a government department, wrote a report called "A Social Outlook" that paints a picture of the family in crisis.

Family incomes are dropping. The poverty rate among two–parent families has risen from 9 per cent to 12 per cent in the last two decades. Families that would prefer the option to choose whether parents work outside the home find that they are forced into the workplace whether they like it or not. Those that would

like to choose to stay at home to look after the kids find that they cannot.

The study also shows that between 1960 and 1986 the time parents had to spend with their kids, that important bonding time with their own family, has fallen by 10 hours a week.

Families also suffer a discriminatory tax regime in Canada. Often it is cheaper to live together than it is to get married. The tax system also discriminates against homemakers.

A chartered accountant from New Brunswick has calculated that a single income family in which one parent chooses to stay at home will pay 36.2 per cent more in tax than a dual income family earning the same gross amount. The tax system clearly discriminates against those who choose to live in a more traditional arrangement, the kind of arrangement that most people in Canada, according to the Angus Reid poll, think is the best one to raise their children, especially at a young age.

Without tax reform, at the very least, we risk losing that vital middle class which forms the backbone of our nation. Unfair tax policy harming the family is the kind of policy that the auditor general for the family could investigate and expose, bring into the light so the government could deal with it.

There is much more evidence. A U.S.–wide study called the National Longitudinal Survey of Youth followed 14,000 people since 1979 and found that the children of single parents are almost three times as likely to be single moms and drop out of high school. They are less likely to graduate from college or university. One out of four babies in the States are born to single moms and this adds up to a cycle of continuing poverty, continuing lack of opportunity and obviously something that we would not hope for those families and those children.

The U.S. *News and World Report* ran its cover story on the family in February this year. This is how its story began: "Dad is destiny. More than virtually any other factor, a biological father's presence in the family will determine a child's success and happiness, rich or poor, white or black. The children of divorce and those born outside of marriage struggle through life at a measurable disadvantage, according to a growing chorus of social thinkers".

The article goes on to describe the various attempts in the States to reconnect fathers to their families. Fortunately we are not yet as bad off in Canada, but the operative word there is yet. We may trail behind the States in our social trends, but we are on the same road.

For instance, the Vanier Institute for the Family tells us that Canada's divorce rate has jumped from being one of the lowest in the world in 1965 to being one of the highest in the world in 1988. It is about one–third higher than in Sweden and France. We are second only to the United States of America. The problem of family break–up will have and is having measurable negative effects on our economy, on our justice system and on government spending.

If the family is under threat in Canada, then our future is also threatened. This bill recognizes that the family is important, that it is suffering, that children are suffering because families are suffering. Families deserve a voice, a place of priority in the House of Commons and in the legislation dealt with.

Some may think this bill is a fringe idea coming from a Reformer. This is far from the case. The Canada Committee for the International Year of the Family was struck by the federal government to examine federal family policy during that year, 1994. In January 1995 it presented its recommendations. The Canada committee recommended the creation of a permanent federal secretariat for the family within the Government of Canada. Its mandate would almost be the same as that in my bill: "To serve as a catalyst, to initiate research and education on the changing structure and status of the Canadian family and the impact of federal policies and programs on the Canadian family; secondly, to work as a broker to develop tools and resources to aid in the development of harmonized policies and programs which support and strengthen families; and third, to prepare a family impact assessment statement on all significant new federal laws, policies and program initiatives".

• (1740)

These three functions correspond directly to the auditor general for the family's three main functions that I have in my bill: "To examine government programs, to propose changes to them if necessary, and to report to Parliament on all of its deliberations". This is a mainstream idea whose time has come. The government needs to act now to preserve, enhance and support the nuclear family in Canada.

I want to answer those who might say that the focus of this bill is too narrow, that it touches on the nuclear family as opposed to another more inclusive definition of the family. I have used the term nuclear family in the bill to designate what is commonly understood as a family in Canada.

This is in no way meant to be a pejorative statement or a condemnation of the numerous social arrangements which society accepts. There are many other acts of Parliament, for instance, that target particular groups for assistance and help without any pejorative connotation. For example, we have an act of Parliament granting benefits for unemployed workers, but this is not a jab at those who have jobs. It simply targets one of the many groups in society with which Parliament needs to concern itself.

It is the same for the auditor general for the family. Society accepts many diverse living arrangements, as it should, but those arrangements are simply not the focus of this particular bill. The bill merely recognizes the importance of one needy group in our society, the nuclear family, and it attempts to enhance its well–being.

I have chosen the definition for the family found in the *Dictionary of Canadian Law*: "The family includes a man and a woman living together as husband and wife, whether or not married, in a permanent relationship, or the survivor of either, and includes the children of both or either, natural or adopted, and any person lawfully related to any of the aforementioned persons".

This is similar to the definition used by other dictionaries and also the federal government and the governments of all 10 provinces. I realize that it is never a perfect definition but we do have to try to do something and certainly this is the standard definition found in the dictionary.

The nuclear family is hardly a narrow or isolated group. In the enormous study done by Murdock some years ago in which he studied 250 societies around the world, he found that "the nuclear family is a universal human social grouping. It exists as a distinct and strongly functional group in every known society".

Does this mean that all government programs must be focused only on the family or only on married folk or only on their children? Of course not. This bill merely recognizes the importance of the family in our society and it attempts to enhance its well–being.

I was reminded of the centrality of the family in Canada when I attended a wedding just a few weeks ago. The bride was beautiful. The husband to be was very nervous. He was determined to go through with his decision and his promise to stick to his wife for life. The father of the bride was pretty close to tears giving away his little girl, but he was also pretty close to shedding a few tears of joy as well. I should know because the father was myself and Karina is and always will be my not so little girl anymore.

Even though there were a couple of hundred people there, there was something very private, something very personal about that ceremony, and that was the transmission of values from me to my child, from the parents of the groom to him and the fusion of those values into what was really a new family. We watched the creation in a sense of another new family unit.

It is almost like running a race in which one runner passes the torch on to the next one and together each runner helps run the race for the whole team. If the torch is dropped, the race can still be finished but it is not the same. In fact, the race cannot be won.

• (1745)

The torch in this analogy is the invaluable inheritance of secure, committed families. The race is the life of every Canadian. Canadian families are too often too easily dropping the torch during the race. As a result, individuals within families are suffering and the whole country is suffering because our families are suffering.

In Canada 13 per cent of all families are single parent families. That is one million families. Nearly 30 per cent of all Canadian marriages end in divorce. Even if we lay aside the arguments for the family that are based on the emotional hardships suffered by broken families, we can point to strong economic arguments of why we want to promote and encourage the family.

Surely it is in the interests of all political parties, our government, our nation, to find ways to promote the family unit, where a loving, committed husband and wife nurture healthy, happy children. Within that unit they pass on the values of commitment and faithfulness and stability and responsibility to their own children, who will in turn carry the torch in their generation and will pass it on to the next.

Families are the root of a prosperous and peaceful nation. If Parliament is to cultivate the ground from which strong families grow, it must now begin to study the social environment for the family and begin to change its policies to provide a more favourable environment for families.

If the government for whatever reason finds that this auditor general for the family is unacceptable, that this idea just does not carry the day, I appeal to government members to create their own body that would perform a similar function. Listen perhaps to the recommendations of the commission which asked for a permanent secretariat on behalf of the family, but find some ways to encourage and enhance that important institution.

The family in Canada is in crisis. The time to act on its behalf is now. I hope all members will lend their support to the principle of an auditor general for the family.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, if there is one thing we have in common as members of the House, it is our shared belief in the value of family life and the central role the family unit has within our society. Families are at the very core of our social fabric.

[*Translation*]

That is why I congratulate my hon. colleague across the way for introducing this bill for the creation of an auditor general for the family.

[*English*]

I congratulate the hon. member. By bringing the bill forward he provides those of us on this side with an opportunity to comment constructively on this area of social policy. It also

allows us to review the many ways this government is already working to support individual Canadians in the pursuit of their social and economic objectives, including in meeting the commitments to their families.

[*Translation*]

Right at the start, I must express my disagreement with the importance attached to the nuclear family in Bill C–322. This term seems to define what constitutes today's Canadian family in too narrow terms.

[*English*]

It may be that a generation or two ago the traditional family structure was that of a male breadwinner and a stay at home mother who looked after the house and their children and all lived under the same roof. That may have represented a typical Canadian family but that situation has changed dramatically.

[*Translation*]

The nuclear family is no longer the dominant model in Canadian society. Now we have many different models: single parent families, blended families, extended families and so on.

[*English*]

The two parent with children household now comprises less than half the families in Canada. Our lifestyles have changed over the years since the nuclear family defined society and the direction of our social policy and any related legislation must reflect those changes.

• (1750)

[*Translation*]

It is our duty as legislators to base ourselves on today's realities and not yesterday's ideals. Deciding a certain model merits our attention more than another is tantamount to thumbing our noses at all those Canadians whose family structure does not fit within the model of the typical nuclear family.

[*English*]

I emphasize that our government is not against the nuclear family. We agree with the preamble of the bill which says that the nuclear family is one of the foundations of Canadian society.

[*Translation*]

It is true that the nuclear family is one of the foundations of our society, but it is our opinion that the foundation of society is the family unit, and family units may take different forms. We agree that the nuclear family constitutes an important element in Canadian society, but we contest the fact that it is the only family structure that counts.

[*English*]

To this government all Canadians are important, whether they are members of a nuclear family or not.

[*Translation*]

Finally, as we have stated in the red book, the Liberal government's policy is to aim at greater equality of social conditions for all Canadians. We wish to broaden the outlook, not make it narrower.

[*English*]

As hon. members know, it is the Liberal Party which has been responsible for the major social policy initiatives of this country over the years. It is Liberal governments, including this government, which have confirmed time and time again our belief in the value of the family as the basic unit of society. We have signalled the commitment through many of our programs in support of family members.

This is an important concept. Whereas my hon. colleagues opposite would single out members of only one type of family unit for attention, our government believes in looking at the needs of all Canadians and all types of family structures and in doing that, looking within a broad economic and social context and not within a narrowly cast definition of family.

It is our belief that if we want to assist Canadians to meet their family obligations, we must look at the overall environment within which people live and work. We must look at and respond to needs within the social, economic, technological and cultural environments in which individual Canadians as family members find themselves.

[*Translation*]

We do not feel that we must evaluate Canadians, or the effect of federal programs and institutions, in terms of the needs of this or that family model. If our goal is to improve the quality of life of all Canadians, we shall improve the quality of life of the members of all Canadian families.

[*English*]

Thus, we have programs designed to provide income assistance to families with children. That means all families with children are eligible, not just one kind of family. Income assistance to families with children is one of the oldest parts of Canada's social security system, dating back to 1918.

[*Translation*]

One of the most important elements is the child tax benefit, a non taxable income–related benefit for those with children under the age of eighteen years. It comprises a basic benefit, a supplemental benefit for children under the age of seven years, and a work income supplement.

[*English*]

One of the best ways we can help Canadian families is to enhance the ability of individual Canadians to find a job and keep that job. This is a central objective of our economic and social policy.

[*Translation*]

The objective is to help not only those Canadians who are part of one type of family or another, but all Canadians.

• (1755)

Very often, helping a Canadian to find and keep a job also means helping him or her balance work and family responsibilities. In today's world, increasing numbers of Canadians have to strike a balance between responsibilities toward their employers and family responsibilities. This is also a reflection of the changing structure of the Canadian family.

[*English*]

For example, over the past few decades an increasing percentage of women have remained in or re–entered the workforce while raising young children. At the same time there have been increasing demands for support for older relatives and friends leading to the creation of the so–called sandwich generation.

[*Translation*]

Under these circumstances, a good child care system becomes a vital necessity, and the possibility of assistance may have a considerable impact on the family.

[*English*]

Nuclear family or not, many Canadians are feeling these pressures. Governments need to be responsive to these developments in the workplace and their impact on families as well.

[*Translation*]

One of the ways our government is responding to those needs is the "child care visions" research and development program announced earlier this year by the Minister of Human Resources Development.

[*English*]

The child care visions program will lead to a better understanding of emerging child care issues as well as increased knowledge about the needs of Canadian families. One of the objectives of this program is to encourage greater involvement by all sectors of society in meeting child care needs.

Once again, we view these issues in the broad context of economic and social policy needs and not in the narrower context of a family definition. There are other programs in place and under development to support workers to meet their family responsibilities.

In the very near future, the Minister of Human Resources Development will be meeting with his provincial counterparts to discuss the best possible ways to take care of our children. This will be a very important initiative for this government to help the family.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Madam Speaker, I welcome this opportunity to speak to the bill standing in the name of the hon. member for Fraser Valley East and entitled, an act respecting the office of the Auditor General for the Family. The hon. member made an excellent presentation and explained very clearly his reasons for proposing this legislation.

The purpose of this bill, after a preamble that stresses the importance of the nuclear family and states that Canada should encourage, support and protect it, is basically to appoint an Auditor General for the Family who would examine federal policies and make recommendations to ensure that the federal government encourages the development of the nuclear family.

The Parliamentary Secretary to the Minister of Human Resources Development made it very clear that this bill is well intentioned. No one in this House wants to diminish the role of the family in our society, and everyone wants children to have a family in which they can develop their potential. The bill would, however, create a number of problems.

First, there is the definition of family. The bill refers to the nuclear family, the traditional family that is still very important. This is the family where there is a father, mother and children. However, for the past 20 or 30 years at least, we have seen changes in the family structure in Canada and Quebec.

• (1800)

We see families with only a father, or only a mother. We see families made up of individuals who previously belonged to other families. If we adopt the bill as presented by the hon. member for Fraser Valley East, this would mean ignoring a number of families that play just as important a role in bringing up their children as the nuclear family. These families would, to a certain extent, be discriminated against or overlooked.

My colleague, the member for Fraser Valley East, said this would not preclude steps being taken to foster the development of other kinds of families, but the fact remains that if we take the trouble to appoint an Auditor General for the Family who will be dedicated to the well–being of nuclear families, as it says in the bill, we are excluding a certain number of families. As many as 20 per cent of the families in this country do not correspond to the description of a nuclear family.

Yet it is in these families that children are often likely to need special programs. Not because their families are less competent than other families, but because the responsibilities of a single father or a single mother are tremendous. I think there is a case

here for government support. We see no indication in the bill of how these families would be helped by adopting this legislation.

The real problem, and the hon. member made this very clear, is the children. We want children to develop in a satisfactory family environment. I think that a satisfactory family environment, at least for many people like me, in the Bloc Quebecois, is first of all an environment in which there are sufficient resources to provide for the children's development, to clothe them, feed them and educate them. That is the kind of family environment in which a child has a chance to develop its potential.

I think that any steps we would want the Canadian government to take should be based on fighting poverty and maintaining social programs, if we want to support children who live in a family environment. It is vital to be clear on the problem: child poverty and family poverty cause young people to have health, social development and education problems. Therefore, I do not think the bill before us, despite the hon. member's good intentions, will contribute to improving the quality of children's lives in Canadian families.

Another problem I notice in reading the bill—and I apologize, Madam Speaker, perhaps many members in this House have heard this argument, these remarks, too often for their liking—is that we are again looking at a jurisdictional conflict between the provincial and federal governments.

In my opinion and in the opinion of many of the Bloc members, matters to do with family, marriage and families' private lives are more matters of provincial jurisdiction. So, once again, there would be a degree of conflict between an organization, an office of the auditor general, at the federal level and provincial institutions. Some provinces have family secretariats.

So again, we have not progressed from the stage where the federal and provincial governments often take contradictory or parallel measures, to the detriment of families and children needing care and support.

• (1805)

Even my colleague from the government said in his speech that daycare services should be set up. This would perhaps be more important at that point for the well–being of children living in a family setting. Daycare services, however, come under provincial jurisdiction. So we face the same dilemma, we are in stuck in this situation. I think there comes a time to put a stop to it.

Finally, and my colleague for Fraser Valley East mentioned it as well, there is the matter of taxation, a problem that can be detrimental to family life. Every year, in Quebec, as in Canada, there are reports and studies which tend to demonstrate that people with families are disadvantaged from the taxation point of view.

This leads us to again bring up the question of tax reform in Canada. Every year we hear the Minister of Finance, people from the health department and human resources development, government members saying that, yes, we will have to address the taxation issue in order to help families and to ensure greater equity, greater fiscal justice, in Canada. Good intentions still and again, but we have seen nothing concrete in the two years that we in the Bloc have been here.

We will vote against a measure such as this. The first reason, as I said at the start, is that it is aimed at the nuclear family and we believe, in light of recent changes—in the past ten, fifteen, twenty years in Canada we have seen major changes—we must not give preference to the nuclear family, despite all of its merits over the centuries, which it continues to have.

Second, this is an area where overlap with provincial jurisdictions is such that, in the long run, it would only fuel further argumentation and might cancel out certain pro–family clauses in provincial legislation.

Let me state once again that I am very much aware of the good intentions of the hon. member for Fraser Valley East. However, for the reasons I have just set out in my address, I personally, and the members of the Bloc Quebecois, will oppose such a measure.

[*English*]

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, it is a privilege to rise today in the House in support of private member's Bill C–322, an act respecting the auditor general for the family.

The bill would establish the position of the auditor general for the family, tasked with identifying and examining federal programs, exposing programs and policies detrimental to the well–being of the nuclear family in Canada, and recommending changes through an annual report to Parliament. The office would be analogous to the auditor general's office, serving the same function on behalf of the nuclear family in Canada. Unfortunately, this bill is non–votable.

I congratulate the hon. member for Fraser Valley East for taking the initiative to advance this private member's bill in defence of the rights of the traditional family.

On many occasions I have spoken both in the House and in public forums across the nation in defence of the rights of the traditional family. Unfortunately, it is not enough to just speak about family, family life, and family values issues. It is time the House gave formal recognition to the rights of the traditional family.

The family unit is the basic institution in life and the solid foundation upon which our forefathers have built this great nation. The protection of families, family life, and family values must be a priority with the government.

The conventional terms of debate in matters of political, social, economic, and legal issues tend to focus on individual rights and the rights of the state and not the rights of the family. This is unfortunate and must change, for the family is the most important reality in our lives.

• (1810)

The rights of the family are being seriously undermined and eroded. Families have inherent rights. Families have inviolable rights. Families existed before the church. Families existed before the state.

Parliament has no jurisdiction to redefine traditional family or to enter into the realm of sanctity of marriage or sanctity of life. It is important to be reminded that family is the basic institution of life. Life begins from the moment of conception and continues until natural death. The inherent and inviolable rights of family must be protected, defended and safeguarded by Parliament.

Bill C–322 is offering the government a mechanism to identify, examine, expose, and amend policies and legislation that encroach on the rights of the traditional family.

Parents are the primary educators of their children and are solely and fundamentally responsible for the emotional, psychological, physical, social, spiritual and moral development of their children. It is time the government funded the family and stopped funding agendas designed to undermine and destroy traditional family values.

For the government to promote and encourage institutionalized child care by providing tax benefits is both inequitable and unjust. It is removing the economic freedom and flexibility of families to make a conscious choice of what is in the best interest of their children and their family by imposing an economic hardship on single income families.

The traditional two parent family is under relentless attack from special interest groups and others who regard the traditional family as an impediment to their goals. For example, the feminist agenda requires careful scrutiny, as the continuous quest to conquer the alleged male oppression of women has placed pressure on society to move the focus from family rights to individual rights and rights of special interest groups. The advancement of the feminist agenda in government policies has advanced an ideology predicated upon equality of women that is more concerned with achieving formal equity and has forsaken substantive equity. By doing so, the feminist movement has done a great disservice to women, motherhood, to our children, and to the traditional family.

The Canadian position advanced at the Beijing conference appeared to be advancing and protecting the equality of women. However, the Canadian position that was advanced called for gender, not the family, to be the most important criterion for determining government policies.

It is the feminist position that family is the initiator and cause of the inequity between men and women, together with their failure to recognize the importance of the role of women and motherhood within the traditional family unit. It is against this relentless attack upon the traditional family that government must protect and safeguard.

In conclusion, the family is the basic institution of life and the solid foundation upon which our forefathers built this great nation. The protection of family, family life, and family values must be a priority with the government.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I rise today to speak to Bill C–322, an act respecting the office of the auditor general for the family, developed and sponsored by my colleague from Fraser Valley East.

The Reform Party has long recognized the importance and value of the Canadian family through our policies and actions, such as we see here today in Bill C–322. As my colleague earlier so well stated, few topics are as important to this nation at this time.

This bill seeks to establish the office of the auditor general for the family. The mandate of the auditor general is based on the premise of evaluating and assessing the impact, performance, and effectiveness of government policy, programs and administration.

Clause 4 of this bill outlines this proposed auditor general's duties. The auditor general for the family shall examine federal programs and institutions to determine their impact on the nuclear family in Canada; expose programs and policies that are detrimental to the well–being of the nuclear family; and recommend through his annual report to Parliament changes to federal government programs and policies that would enhance the well–being of the Canadian nuclear family.

• (1815)

Like the Auditor General of Canada, the auditor general of the family would be an official officer of Parliament and would report to the House on an annual basis. The auditor general of the family would also be empowered to make special reports to Parliament on "any matter of pressing importance or urgency" as outlined in clause 5 of the bill.

As I alluded to in my opening remarks, the family is the most fundamental institution in society. The family nurtures its members and provides for the security and needs of its members. The family provides for the transfer and protection of our values, our heritage and our culture. The family provides the stability and the prosperity of society. It is most appropriate to

think in terms of an auditor general in assessing the well–being of Canadian families.

Over the past decade the Canadian family has been under increasing social, political and economic pressures. These pressures originate from many facets of government policy direction. For example, the mismanagement of our nation's finances has created tremendous pressure both on the earning power and even the job availability of Canadians and their families.

The average family income in 1984 was $43,204. In 1993 it was $43,225. After tax income has actually fallen 6.5 per cent from 1989 to today. The tax bite out of money earned is over 30 cents on the dollar. The facts indicate that it requires almost double the paid working hours to support a family as it did 20 years ago. Translated into action that means two income earners in a family as opposed to one simply to survive.

Sixty–two per cent of mothers with children below the age of three are now in the workforce compared to thirty–nine per cent in 1981. Economic pressures can be devastating to family stability.

A recent study has found that two–thirds of parents presently experience moderate to severe levels of tension in balancing work and family commitments. According to a recent study teen suicide rates for young men has quadrupled since 1960. According to UNICEF in 1995 we now have one of the highest rates of teen suicide in the world after New Zealand and Finland.

Violent youth crime has been shown to have doubled since 1986. Meanwhile our divorce rates have risen tenfold to where Canada is second only to the United States with one divorce for every 2.4 marriages. Statistics such as these reveal what can only be described as a social revolution taking place in the heart of our homes. We as legislators in the House must do what we can to strengthen and improve the condition of Canadian families.

What concrete measures has the government taken to improve the state of families in Canada? Where are the legislation, the tax relief, constructive and effective programs? Where is the sincere commitment or are mere platitudes enough?

The Liberal government has been tragically absent and worse yet in some cases culpable in this crisis. Citing facts as we heard a few minutes ago that less than half of Canadian families are dual parent with children is grossly misleading, or saying that we must face reality and do nothing about ailing families.

Ms. Clancy: Why is it misleading? Finish the clause. Why is it misleading?

Mrs. Hayes: To answer my colleague's question, two parent families with children now compose approximately 80 per cent of families in Canada. That will answer my colleague's question.

Ms. Clancy: According to whose statistics?

Mrs. Hayes: I ask my Liberal colleagues if they walk into a village that has been ravaged by some disease whether they would simply walk away from those who are suffering while muttering something like reality must be faced.

I shall highlight two specific and current examples of some issues that the auditor general of the family could examine.

• (1820)

I recently attended the world conference in Beijing. I was there to ensure that the views of the family and of family life were represented within the Canadian delegation and the conference itself. At the conference our government committed to the Beijing platform for action which requires that the government implement over 500 actions in the next five years. Although the conference was supposedly about women, the document introduced barely mentions family and when it does it is often depicted as a place of oppression and violence.

One of the actions discussed deals with children's rights. The document elevates children's rights above those of parents, including unrestricted access to "reproductive health services and education" and confers upon our children so–called sexual rights. Parental prerogatives and authority are replaced routinely with government and bureaucratic intrusion. The document ignores the value of family relationships, seeking to use words such as caretaker or girl child in place of beautiful words like mother and daughter.

This platform for action has not been tabled in the House. It has not been debated and it has not been examined by members of the House. In short, it has simply not received the scrutiny that it deserves. It is a Liberal government endorsed product without any reference to the Canadian people that will have and has a profound effect and impact on the Canadian family in society.

A second example is also related to the Beijing conference. Before the conference started the Secretary of State for the Status of Women publicly released a document entitled "Setting the stage for the next century, the federal plan for gender equality". The plan was released as the government's position on the objective of the conference while it simultaneously instituted gender equality and gender based analysis throughout the 24 departments and agencies of the government. I quote the plan from page 17:

A gender based approach ensures the development, analysis and implementation of legislation and policies with an appreciation of gender differences.

It makes gender, not family, a priority in all policy development and seeks to deconstruct "stereotypical roles" and replace them with a social revolution that shakes the very foundation of the traditional family. In dismantling barriers that supposedly impede the progress and equality of women, it denies the value of women and families anywhere outside the workplace.

The plan and its implementation would have far reaching consequences for families and society. That is what the minister intended when she wrote that "every aspect of our lives is being reshaped" by the plan. It is sad but true.

If there were an auditor general of the family he would be able to assess the impact of programs like the platform for action, report his or her findings to the House, make recommendations to the government and the House, and raise the profile of these issues. This Reform bill would do much toward attaining that goal in terms of providing information about the family and introducing greater accountability to the system.

Reports on the family would generate interest in family issues. They would cultivate a culture of respect for the Canadian family that is sorely lacking in federal legislation and throughout the federal government.

These are basic, fundamental and significant accountability measures that I believe will expose an anti–family agenda endorsed by the Liberal government. An auditor general would strengthen and improve the condition of the Canadian family.

Let me conclude by stating that Bill C–322 will do much to establish a family first philosophy that will establish a culture of recognition and respect for the Canadian family within government and here in Ottawa.

Moreover, by establishing an auditor general of the family it will do much to ensure that family friendly policies are developed and implemented. Current policies and programs would be examined from the perspective of benefit or harm to the family and not for special interest groups.

It is with these considerations that I urge the House to support the bill developed wisely by my colleague from Fraser Valley East.

• (1825)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am pleased to speak however briefly on the bill which I do not support.

I am a feminist. I am a very proud feminist. I am very proud of the government's record, particularly at the recent Beijing conference, particularly on supporting the plan of action, and most particularly on the matters mentioned by my hon. colleague with respect to setting the stage for Beijing and gender analysis, a policy which is long overdue.

I do not say that just to be combative. I do not say it just to disagree with my hon. colleague over there, or indeed with my hon. colleague from Central Nova. I say it because I think there is a deep misunderstanding in certain segments of society.

Before I became a feminist and before I became a parliamentarian I was a woman, a daughter and a granddaughter. I am still all those things. I come from an amazingly wonderful family. I was brought up by a single parent. My father died at the age of 39, leaving mother with heavy burdens because there was no medicare. My mother educated herself and she educated me. She brought me up to believe in tolerance and equality for all. She also brought me up within the context of a larger extended family, those aforementioned grandparents, aunts, uncles and cousins to the third and fourth degree. It was a typical Nova Scotia and Cape Breton family.

On behalf of feminists across the country I resent the insinuation that we are not family oriented. Because we believe in gender equality, because we believe in freedom from fear and freedom from violence, because we believe in pay equity and employment equity, because we believe women hold up half the sky, I resent the theory that we should be told we are anti–family. We are not anti–family. We are the people who hold the flame every bit as much as my hon. colleague across the floor or my hon. colleague from Central Nova.

On this side of the House there are mothers, grandmothers, married women, single women and divorced women who have children of their own or who are loving godparents, aunts or whatever to many children. We care and we care deeply. No one has the right to equate feminism with an anti–family stand. No one has the right to question the way we feel about our families.

I love my family as much as I love my country and the two are interchangeable. It is shameful for anyone to suggest otherwise.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I am very proud to be part of a political party, an organization which stands unashamedly for the family.

As the hon. member opposite just said, family is very important. There is no doubt in anyone's mind in the event a father is taken away by death or even by divorce that there are many additional hardships on the mother who is left to raise the family as a single parent. I cannot help but say that we are not in any way desirous of adding any more hardships to the person who already has so many.

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.

It being 6.30 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

HOUSE OF COMMONS

Thursday, November 9, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian group to the interparliamentary union which represented Canada at the 1995 interparliamentary conference held in Bucharest, Romania, from October 7 to 14, 1995.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the 11th report of the Standing Committee on Justice and Legal Affairs.

Pursuant to the order of reference of Thursday, October 5, 1995, the committee has considered Bill C–78, an act to provide for the establishment and operation of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions. The committee has agreed to report it with amendments.

[*Translation*]

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I have the honour to present the 16th report of the standing committee on public accounts. In its sixteenth report, the public accounts committee studied chapter 9 of the auditor general's annual report for 1994 on the overall management of federal science and technology activities, chapter 10 of that same report on the management of departmental science and technology activities, and chapter 11 on the management of scientific personnel in certain federal research establishments.

Pursuant to Standing Order 109, the committee is asking the government to table a comprehensive response to the report.

* * *

• (1010)

CONTRACTORS PROTECTION ACT

Mr. Jean–Paul Marchand (Québec–Est, BQ): moved for leave to introduce Bill C–356, an act to protect contractors who disclose government wrongdoing.

He said: Mr. Speaker, we know that a number of private companies do business with the government. Contracting out accounts for close to $10 billion of business, and we also know that there are a great many irregularities in contracting with the private sector. There are sometimes illegalities and waste. This bill would protect private contractors who decide to disclose government wrongdoing, waste or other irregularities.

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

* * *

[*English*]

PETITIONS

ASSISTED SUICIDE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present two petitions signed by over 100 residents of Hamilton and nearby towns on the subject of euthanasia and assisted suicide.

The petitioners request Parliament to ensure the present provisions of the Criminal Code prohibiting assisted suicide be retained without changes and enforced in order that Parliament not sanction or allow the aiding of suicide or euthanasia.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I also have thousands of signatures from across Canada on the subject of crimes of violence. The petitions are part of a petition, begun by Mrs. Priscilla de Villiers, which has already collected over three million signatures.

The petitioners ask Parliament to recognize that crimes of violence against a person are abhorrent to society and ask the government to continue to amend the Criminal Code of Canada, the Bail Reform Act, 1972 and the Parole Act of Canada accordingly.

[*Translation*]

EMPLOYMENT CENTRES

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would like to present a petition signed by 356 persons in my riding of Bourassa and the Montreal region, concerning closure of the Canada Employment Centre on Papineau Street, which services my riding of Bourassa North as well as neighbouring ridings.

• (1015)

This is a centre that provides exceptional service to a very large population. Those working in the centre along with unemployed persons and community organizations are therefore petitioning the government not to close this employment centre, and I strongly support this petition. I trust that the government will reconsider its decision and that this centre will be able to continue its operations.

[*English*]

JUSTICE

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am pleased to present a petition, in accordance with Standing Order 36, on behalf of constituents who say that we should be aiming for a just and safe society, that the safety and protection of the public should precede the protection of dangerous criminals and that the rights of victims should precede the rights of criminals. Many things are listed here.

The petitioners are asking for legislation to reform the justice system and the Corrections and Conditional Release Act.

ASSISTED SUICIDE

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, in accordance with Standing Order 36, I present a petition on behalf of the citizens of the community of Athabasca.

The petitioners request that Parliament continue to reject euthanasia and physician assisted suicide, that the present provisions of section 241 of the Criminal Code which forbids the counselling, procuring, aiding or abetting of a person to commit suicide be enforced vigorously, and that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

MANGANESE BASED FUEL ADDITIVES ACT

The House resumed from November 8 consideration of the motion that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure once again to speak to Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

The purpose of the bill is to ban the import and interprovincial trade of MMT, an octane enhancer. Essentially MMT reduces emissions from motor vehicles. The government claims that MMT damages the onboard devices in new 1996 cars. It is going to be obligatory for cars used in Canada not to use MMT. This was at the prompting of the Motor Vehicle Manufacturers Association.

The Ethyl corporation that makes MMT and the petroleum products group claim that first, MMT is not a health hazard to Canadians and second, does not damage onboard devices.

If the minister wishes to ban MMT, then she has to prove that MMT is a health hazard to Canadians. The contrary has been proven by the Ministry of Health which has shown that MMT does not damage the health of Canadians. I have heard some spurious allegations by members across the way who have actually claimed that since the health department said what it did, maybe MMT really does harm Canadians. Those are statements made off the top of their heads without any factual basis. If we look at the facts, MMT does not harm the health of Canadians.

Central to the bill is the question, does or does not MMT damage onboard devices? There is ample evidence showing that onboard devices are not damaged by MMT. It is wise to look at the situation in the United States. We say we want a common gasoline for our vehicles, but the United States is bringing back MMT. It is bringing MMT back for a couple of very important reasons: First, it is not a health hazard to people; second, it does

not damage onboard devices; and, third, if it is removed from gasoline nitrous oxide emissions will be increased by more that 20 per cent. Nitrous oxide is a very important component of smog. Smog exacerbates respiratory problems in people who suffer from asthma or chronic obstructive pulmonary diseases.

• (1020)

If MMT is to be banned another substance will have to take its place. That will make gasoline more expensive. It will translate into more expense at the pump and in turn will cost the industry more. It would act as a depressant on the economy, which means fewer jobs.

The minister cannot ban MMT on the basis of health reasons so she is going to try to ban its movement in interprovincial trade and in import and export which, in effect, is a ban on the substance. That is how the minister has managed to get around that.

The real truth behind this is that the Motor Vehicle Manufacturers Association is looking for a scapegoat because its members know their onboard devices malfunction. They want to find some other reason for this and have found a handy peg to hang their hat on by claiming that MMT damages the onboard devices. However the facts prove otherwise.

When looking at the situation in the United States which does not use MMT, we find that onboard devices malfunction at exactly the same rate as they do in cars using MMT. This is very conclusive, suggestive and strong evidence that MMT as a reason for the damage of onboard devices simply does not hold water.

I ask the minister to look at new ways and new energy sources. The transport sector has a 90 per cent plus dependency on fossil fuels. As we all know in the House, fossil fuels are finite and one day they will come to an end.

We must also look globally. By the year 2025, 11 billion plus people will be living on this planet or twice as many that live on it today. Therefore, energy consumption will double or, as many people believe, will increase even more than that.

Another reason is that in developing nations people are actually consuming energy at a far greater rate than they have in previous years. Through industrialization and manufacturing the demands for energy and fossil fuels are increasing.

I ask the minister to work with the minister of science and technology and the Minister of Transport to look at different ways we can work on new and more environmentally sound alternatives to fossil fuels in the future. One alternative is electrically powered cars. We cannot provide energy now at the low cost that we have with fossil fuels but in the future this will be an important alternative for powering vehicles. While we cannot do it now, we must look to the future and develop the research and technology so that we can do that.

Another interesting concept is the hydrogen fuel cell which works on the electrolysis of hydrogen sulphide or water. Although these systems are too bulky right now to use this might be an alternative form of power for vehicles in the future. Another is photovoltaic cells which take energy from the sun. The Holy Grail of all energy sources is the concept of fusion.

As a country we do not have the finances to engage in extensive projects in this area. By working with our neighbours to the south and some Europeans that are doing some fascinating work on fusion technology, we can provide our scientific expertise to them to try to make this into a reality in the future. While it may not be practical for the transport sector, there are many other energy sectors for which this technology will have to be used.

• (1025)

Although these alternatives cannot replace fossil fuels right now, we do not see enough of working together between ministries. In this instance the Ministry of the Environment has logical partners in the ministry of science and technology and the Ministry of Transport. They are intimately entwined. It would serve Canada well if these ministers got together with their staffs and determined areas where they could work together in an efficient fashion.

I suggest the minister look at some other areas in the transportation sector and work with the Minister of Transport, as I said before. It costs about $7,000 a year to operate a car, with high social and environmental costs. It is very expensive. Canadians should look at the European model and extract from that more environmentally sound measures on the transportation of people, paying particular attention to bicycles and rail travel.

There is a very important issue in my riding. The E & N railway runs north–south on Vancouver Island. It can be a very potent and environmentally sound mover of goods, services and people. This railway has been lying idle for many years and is highly unproductive. I hope the Minister of the Environment will work with the Minister of Transport to try to make this railway a reality, not in the public domain but in the private domain; ownership being retained in the public domain but management and functioning in the private sector.

Vancouver Island is an area where the population is growing at perhaps the fastest rate in all of Canada. Unfortunately we are seeing the southern California syndrome where we have urban sprawl at its worst. We can look at Vancouver to see what happened there.

With that growth in population will come transport and energy demands. These must be met by looking toward the future by determining ways in which we can provide this transportation

without damaging and destroying the pristine environment the island affords.

In conclusion, with respect to MMT our role in the House is to determine the truth. The minister acknowledges the conclusive evidence that first, MMT does not damage people's health. Second, there is conclusive evidence within our own country and even south of the border to show that MMT does not damage onboard devices.

We need to determine the truth. I ask the minister to review the relevant data and rethink this issue. Clearly there is no reason to ban MMT in Canada now. If the minister has to have an independent study to determine once and for all whether MMT actually does damage onboard devices then she ought to do that.

Again I hope the minister would work with the minister of science and technology and the Minister of Transport to look at new and improved ways of meeting the energy needs of Canadians in the future.

I wish to move the following motion to Bill C–94. I move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"This House declines to give third reading to Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, since among other things the bill does not take measures to compensate for the fact that MMT free gasoline would cause the fuel industry to burn more crude oil, causing greater emissions into the atmosphere while at the same time increasing tailpipe nitrous oxide emissions".

• (1030)

The Speaker: The motion is in order. Is the hon. member rising on debate?

Mr. Caccia: Mr. Speaker, we are still in the 10–minute phase which would permit a question or a comment.

The Speaker: Because the hon. member for Esquimalt—Juan de Fuca moved an amendment we now move to debate on the amendment. There will be no questions or comments. That is how we will proceed.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, many questions have been raised about the legislation now before the House. In some cases the debate has obscured what really is at stake. I would like therefore to try to answer some of the questions to give members a clear picture of the issue.

First, we have heard about the harm MMT causes to pollution control equipment in vehicles. Does this not have a plus side? Ethyl corporation is the producer of MMT. According to this company the use of MMT allows less intensive refining, thereby reducing emissions from the refineries. Ethyl corporation also maintains that MMT reduces tailpipe emissions of nitrogen oxide by up to 20 per cent and lowers toxic benzene emissions. If so, what is the point of banning such a useful additive?

Let us take the question of refining. It is true that MMT allows less intensive refining. In 1992 a report was prepared for Ethyl Canada. It indicated that if the additive were banned Canadian refineries would emit 40 to 50 tonnes more of nitrogen oxide per annum and 34 to 43 more kilotonnes of carbon dioxide. Those amounts represent 0.0025 per cent of our yearly emissions of nitrogen oxide and 0.01 per cent of our carbon dioxide emissions. Such slight increases are clearly minuscule.

What then about emissions from vehicle tailpipes? The data collected by Ethyl corporation showed an average reduction in nitrogen oxide emissions with MMT of up to 20 per cent. But the figures were for a test fleet of well maintained vehicles, whereas the actual Canadian cars are not on average as well maintained. If we put the findings into the context of the current Canadian cars, another analysis indicates that MMT causes a much smaller reduction in nitrogen oxide emissions, no more than about 5 per cent.

As for toxic benzene emissions, these should not increase as a result of the banning of MMT. Gasoline can be refined to limit its benzene content. This past July the Minister of the Environment announced that she intended to regulate benzene levels in gasoline to a maximum of one per cent per volume. The regulations would also limit any increase in the amount of aromatics in gasoline.

• (1035)

MMT has been used as an octane enhancer in gasoline, but the oil refining industry has various options for replacing it. These options should still limit the benzene content. For example, the refining process could be changed to produce higher octane gasoline constituents. Along with or instead of that, other octane enhancers are available such as ethyl and MTBE.

This raises another question: Are we banning MMT to promote the use of ethanol? The answer to that is no. Ethanol is only one option for replacing the octane now provided by MMT. There are other options available and it is up to the petroleum industry to make that choice.

What about the financial costs? Some wonder whether MMT removal would place a heavy financial burden on the oil industry or consumers. According to the industry's own estimates, the cost would translate to an increase of approximately 0.1 cents to 0.24 cents per litre, a minor amount, especially considering the normal day to day price fluctuations we see at the fuel pump in the order of a few cents per litre.

Other questions have been raised about the studies that provide the basis for the legislation. Why, it is asked, are we accepting the word of the auto industry, which is surely an interested party in the dispute. Why do we not make use of

independent studies? The fact is there have been no independent studies to determine the effect of MMT on emissions control systems. The research has been sponsored either by the auto makers or by Ethyl for the oil producers.

Some would ask why Environment Canada has not sponsored or conducted its own research. The department has sought technical opinions from two outside experts, one of whom was called on by both industries to participate in joint discussions. Both experts agreed that we do not have conclusive data but that MMT tends to affect emissions performance and increase costs.

To go further and conduct a government study of the issue would simply use up taxpayers' dollars and delay the introduction of new pollution control technology into Canada. We cannot afford to do that. Both industries have done their work and studied the issue. It is now time for a decision. Some might ask why that must be a government decision; why not leave it to the industries concerned to arrive at their solution? That is exactly what we have been trying to do for more than two years, but so far that approach has not succeeded.

Senior officials from four federal departments have met with representatives of the oil and auto industries. I would stress this about four federal departments because the previous speaker suggested we should be talking among the different departments and getting answers. This minister has spoken to and worked with four federal departments. More recently the Minister of the Environment attempted personally to negotiate an agreement. All these efforts have failed. We have no alternative but to legislate the necessary changes.

Still another question concerns actions on MMT in the United States. In the last months we have seen moves to reintroduce its use there. Most recently, this past October 20, a United States Court of Appeal decision ordered the Environmental Protection Agency to grant Ethyl corporation registration for the use of its MMT additive in unleaded gasoline.

Why are we banning MMT in Canada when the United States seems to be lifting its almost 20–year old ban on MMT? After all, part of the argument made against MMT is that we must harmonize our emissions control approach with that of the Americans. Are we not in danger of remaining out of step if we pass the legislation?

• (1040)

MMT prospects in the United States remain cloudy. The EPA could appeal the October 20 ruling or attempt other legal action. Major refineries might be reluctant to adopt MMT until uncertainties are resolved about the health effects associated with widespread use of the additive. Furthermore, the auto industry could launch its own challenge.

Even if none of that happens, about one–third of the U.S. gasoline market including California requires reformulated gasoline to meet more stringent air quality requirements. MMT is still not allowed in reformulated gasoline, which can be expected to claim a growing share of the U.S. market in the coming years as the country moves toward cleaner fuel.

California has gone so far as to expressly prohibit the use of MMT as a gasoline additive. This U.S. state is a world leader in emission control strategies. The example it sets is widely followed throughout North America and beyond. We should carefully consider the approach of California. It could well become the benchmark for tomorrow.

Another question asked is what is the rush. Why do we not wait for the doubts to resolve themselves? Why should we intervene now when the issue is still unclear and evolving? The answer is that the issue will never be settled to the entire satisfaction of both the auto and oil industries. Doubts are bound to persist, but there is sufficient evidence now to make an informed decision. The two industries have been unable to do this themselves, even though we gave them plenty of time in which to do it. The voluntary approach has failed so we must be prepared to turn to legislation to achieve a solution.

For those who have raised doubts and questions, I have some questions myself. In a time of budgetary constraints can we justify spending government money to duplicate studies already carried out by the private sector? Can we justify a delay in introducing state of the art emission control technology in Canada? Can we justify the extra expense consumers will bear if MMT continues to be used as an additive in Canada? Would there be considerable cost for industry or consumers if MMT is banned? Would there be a notable harmful environmental impact? Is MMT likely to have a place in the cleaner fuels of the future? After more than two years of discussion is there any likelihood that the industries concerned could reach agreement in the near future on MMT use? Is there any real alternative left except legislation?

I believe the answer to all these questions is self–evident. Equally obvious is that the time has come for Parliament to exercise its obligation and legislate an end to the use of manganese based additives in gasoline. That is what Bill C–94 does. The measure is pro–environmental, pro–consumer, pro–investment and pro–business. It is time for the House to face the facts and pass the legislation.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I rise to speak on Bill C–94.

We introduced the amendment simply to allow time for the topic to be studied and assessed in light of what has happened in the U.S. and to avoid embarrassment for the government and the country.

• (1045)

The move to ban MMT at this time clearly has little support in evidence. Everyone on the committee, including the government members, raised substantive doubts on the validity of the evidence.

The presentation of the previous speech we heard was very well done. Nevertheless it was a presentation that again accepted unquestionably the evidence provided by the auto manufacturers in spite of the fact that they refused to table any of those studies for us to look at.

We are told that the minister intervened personally to try to bring about a settlement on this issue. I would question how the minister could intervene personally to negotiate a settlement on this issue when she refused to meet with one of the parties involved. In spite of several attempts by that side, the party in the dispute, the minister refused to meet with them.

The member says she personally intervened to try to bring about a settlement. What hogwash. A settlement cannot be brought about by only meeting with one side. Again she says they have had plenty of time to settle the dispute, that the government has given ample time to do that.

In the 1993 campaign the Liberal party, before it became the government, committed in its red book to ban MMT if an agreement was not reached. In the dispute the motor vehicle manufacturers lost all will to negotiate any kind of agreement because it was there in writing: If an agreement was not reached, the government was prepared to ban MMT.

We again hear how there is no time to let the National Research Council or the Department of the Environment conduct independent tests. There is this urgency because of the technology on the 1996 cars. The 1996 cars are here. They are on the market. They are being sold. The OBD II system is onboard. It is functioning and has not been disconnected. Why are we in such a terrible rush?

Yesterday we heard from the member for Davenport that if these OBD II warning lights were disconnected and the system was malfunctioning, it would somehow contribute greatly to more pollution and would be a health hazard for Canadians. My response to that is: What about the millions and millions of cars on our roads that are pre–1996 and do not have OBD II systems and seem to be functioning quite well? This OBD II technology is not vital to the operation of a car. Whether or not it functions is not how we judge the pollution that is coming from the car. They are simply warning devices. They have no effect on the pollution produced from the tailpipe of that car.

There is not such a great rush and we do have time to do that testing. It is important in the interests of this country to wait. Certainly if MMT is allowed to be used again in the United States in the coming year, this bill and this movement by our government will truly be embarrassing. Certainly it will be embarrassing to the country to have the Minister of the Environment go down in history as the minister who passed a bill to increase ground level ozone and smog. It is truly ludicrous.

We have introduced the amendment to appeal to the common sense of the House to let the bill rest somewhere at least for a couple of months or a year. Let us do some independent testing to verify the evidence. Let us wait and see what happens in the U.S. so we can truly move toward harmonization of fuel, an objective the Minister of Industry clearly stated in the House as being crucial.

Whatever happens in the U.S. and however small an amount of MMT is or is not allowed in, to ban MMT in Canada is to move away from the goal of harmonization and not toward it. It only makes good common sense to wait until we see what happens and to do independent testing so that we have concrete evidence one way or the other.

• (1050)

Certainly this party supports the banning of MMT if it can be shown in independent testing that it is a problem. Ethyl corporation and the petroleum refining industry stated in committee that they are perfectly willing to withdraw the product from the market if independent evidence shows that it is detrimental. That is certainly a more reasonable position than the one presented by the government.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I would like to make some comments about the auto industry in Canada and point out some facts about it.

In 1994, $44 billion worth of vehicles and $20 billion worth of parts were produced in Canada. Producing $44 billion worth of vehicles in Canada employed 58,000 Canadians. Canadians across the country are involved in the industry. There is a Volvo plant in Halifax, many plants in Quebec and Ontario, and truck manufacturers in British Columbia. The vehicle parts manufacturing industry involves over 750 companies employing 82,000 Canadians.

I am sure that Canadians employed in these companies would like to know the hon. member and his party are supporting their jobs. I get the feeling from what I have heard in the House that their support is only for the oil refining industry and not for the workers of Canada and the Canadian industry. I wonder if the hon. member has any comments.

Mr. Chatters: Mr. Speaker, I would love to comment on that because truly we are beginning to see the real motivation for the legislation. It is a political motivation.

I am not responding to any lobby. I met with both sides on the issue. I listened to the evidence from both sides. We did

extensive research into that evidence. The evidence is not there to support banning MMT. It simply is not there.

Certainly to suggest that by not banning MMT it will create a loss of jobs in the auto industry is a red herring. Cars will certainly continue to be built where they are being made today.

I will say one thing. If there are job losses to be incurred because of the issue, they will not be in the auto industry; they will be in the manufacture of MMT. That plant will close down and those jobs will be lost in Canada. They will be gone.

The member has the facts just a little mixed up. We are accused of being overcome by the lobby of Ethyl corporation and that there is some kind of evil corporation from the U.S. which is not even Canadian. Where are the head offices of every member of the Motor Vehicles Manufacturers Association? They are no more Canadian than Ethyl is, quite frankly. If the member is concerned about job losses, let us be realistic and fair. They will not be in the auto industry.

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, again the member for Athabasca is deviating from the information we received in committee.

It was amply discussed there from the information provided by the auto industry that the presence of manganese has a negative effect on the functioning capacity of the oxygen sensors and catalytic converters. The results are clearly identified. The committee was quite keen in investigating the matter. It went into investigating the question of the effect of manganese on sparkplugs. The hon. member saw the pictures that when sparkplugs operate with gasoline containing manganese, the coating of manganese is visible on the sparkplugs.

• (1055)

In addition the MMT manufacturers are in the U.S.A. They are keen to maintain the Canadian market as they have already in Bulgaria, Russia, Taiwan and Argentina. We have now reached a stage in Canada where we have to move away from MMT as the Americans already did in 1978. The American motorist has been using gasoline without MMT since 1978. There is no deviation from that fact and the Reform Party must accept that fact.

The entire North American automotive technology is moving toward an onboard diagnostic system which is intended to improve the emission controls of the engine.

Is this a political decision? Yes, it is a political decision because politicians have to make policy decisions. We have to keep up with rapidly advancing technology. We cannot turn the clocks back to before 1978 and go back to how it was in the United States before the U.S. banned MMT.

We must apply the latest technology for the sake of the consumer. That is why we have the issue of onboard diagnostics which, contrary to what the hon. member for Athabasca said, would have to be disconnected in Canada if MMT was not removed. The disconnection would be to the disadvantage of the warranty holder, namely the car owner.

These facts emerged from committee. Does the member for Athabasca agree with those observations?

Mr. Chatters: Madam Speaker, for some reason the member for Davenport does not seem to remember what went on in committee.

The evidence was very suspect. The pictures of the sparkplugs which he referred to were two different types of sparkplugs. The witnesses told us they were exactly the same sparkplugs run in the same engine and all the rest of it. On the tailpipe emission issue, a government member was clearly confused and had some real doubt as to the authenticity of the data before him and what they were suggested to mean.

Without any question, the evidence is suspect at best and certainly is not enough on which to base the decision to ban MMT. The evidence simply is not there. The bill is an embarrassment to the country and the minister.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, I am especially pleased to have the opportunity to take part in the third reading debate on Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

The primary purpose of the bill which is to be known as the manganese based fuel additives act is to ban the use of MMT, a manganese based compound used as an octane enhancer in Canadian gasolines.

MMT is widely recognized as having an adverse effect on the operation of vehicle emission control components, including sophisticated onboard diagnostic systems, commonly known as OBDS. OBDS are slated to be introduced in virtually all 1996 vehicle models. They will help to control vehicle pollution by monitoring emission system performance and alerting drivers to a malfunction. Several car manufacturers around the world including Ford, Chrysler, General Motors and Toyota have all come to the conclusion after extensive scientific testing that MMT adversely affects onboard diagnostic systems. Many of these corporations have billions of dollars invested in Canada and directly employ tens of thousands of Canadians in manufacturing plants.

• (1100)

To continue using MMT in Canadian gasoline would compromise the ability of Canada's auto industry to design cars that achieve important pollution reductions. Surely it goes without saying that Canada's environment and Canadian consumers have the right to the best emission control technology available. Presently Canada is one of the last countries in the world in

which MMT is used in unleaded gasoline. That is a distinction we should not be particularly proud of.

While MMT has been in use in Canada since 1977 as a replacement for lead in unleaded gasoline, it has been banned in the United States since 1977 because of concerns over health effects. I find it ironical that one country, ours, adopted a product at the precisely the same time its neighbour banned it.

Environment Canada, the U.S. Environmental Protection Agency and virtually every single automobile company around the world all agree that MMT impairs the performance of pollution control equipment found in today's cars and trucks. Study after study shows that MMT adversely affects the onboard diagnostic systems where the pollution control equipment is found. These systems are extremely important for the environment because they ensure the cleaner burning engines of today and tomorrow operate as designed.

Understandably the vehicle industry has indicated it will not accept the risk of increased warranty repair costs associated with MMT in gasoline and would take preventive actions, including disconnecting the OBD systems in whole or in part and possibly reducing vehicle warranty coverage with 1996 vehicles if MMT continues to be used.

The passage of Bill C–94 into law will bring about a successful resolution of the MMT issue in Canada and will ensure that vehicle emission standards remain harmonized in the North American automotive market.

I will now speak on the health hazards associated with manganese based compounds like MMT. AT 1990 hearings of the U.S. Environmental Protection Agency into a waiver application submitted by Ethyl Corporation to reallow MMT in unleaded gasoline, a number of experts testified on the toxic effects of manganese compounds.

Ms. Ellen Silbergeld of the environmental defense fund testified at the EPA hearings: "Manganese, like lead, is a toxin in that both its absorption and retention as well as its toxicity increase with time. At present there is insufficient data on the low level chronic effects of the manganese exposure similar to the case that was made for lead in 1925".

The environmental defense fund in its written submission to the EPA states: "We know that manganese at high dose is a demonstrated human neurotoxin with persistent and irreversible pathological effects on brain structure and resulting severe impairments in movement and mental state. We do not know what the long term chronic low dose consequences of human exposure to manganese are. We do not know a safe level of manganese exposure, particularly for those subgroups that may be at increased risk for neurotoxity, the young and the aged".

Dr. John Donaldson is one of Canada's top neurotoxologists. He has conducted ground breaking research in this area. Dr. Donaldson told the EPA in Washington: "One of the major theories in leading edge neuroscience which relate to the environment today is that there are agents, neurotoxins, insidious neurotoxins like manganese, which are age accelerating neurotoxins. I believe that manganese is such an age accelerating neurotoxin and I believe this is the answer to manganese's ability to produce biochemically, pathologically and clinically the picture which is very similar, very similar but not identical, to Parkinson's disease".

On May 1, 1994 Dr. Donaldson wrote to me with an overview of more recent scientific studies that should give us all pause. I put on the record the following examples of recent research provided to me by Dr. Donaldson:

> An increasing body of evidence from Sweden, the centre of excellence and occupational health and safety, has demonstrated that chronic exposure to manganese at very low levels can produce impairment of mental function. The evidence suggesting that low levels over a prolonged period can impair memory has strong implications not only for occupational health but perhaps more especially to child mental health, and firmly places manganese in the category of behavioural psychotoxin as well as neurotoxin.
>
> This newly emerging recognition of the low dose effects of manganese is a most effective club with which to stifle industrial critics which argue that manganese is only toxic at enormous levels rarely attained.
>
> Recent evidence by Dr. Donald Calne of the University of British Columbia, a distinguished and internationally acclaimed researcher in Parkinson's disease, considers that manganese in humans is progressive and even a short exposure can lead ultimately to brain damage. Of especial importance was his observations that even a short exposure was as effective as a prolonged one in causing irreparable brain damage. This should dispel claims by critics that at moderate doses manganese has no health risk.
>
> Dr. Calne has also noted that the initial toxicity of manganese can remain masked for several decades following exposure although causing brain cell death at an increased rate which is only detectable by brain imaging techniques. The disease may not appear for periods as long as four decades. A silent killer indeed.

• (1105)

There are a number of options to replace the octane provided by MMT. Available substances include MTBE, ETBE, methanol and ethanol. Ethanol, which is produced from Canadian grains, is an ideal octane enhancer for unleaded gasoline. Since it is manufactured from renewal feedstock it is especially valuable as a non–petroleum fuel component in times of restricted supply. Ethanol and its derivative, ETBE, are the only gasoline additives which are renewable and offer the further security of reducing dependence on foreign energy supplies.

The primary environmental benefit of ethanol is its high content of oxygen. Gasoline contains no oxygen. Adding oxygen has the effect of creating a more favourable air–fuel ratio, which results in a cleaner combustion of the fuel, thereby reducing such harmful emissions as carbon dioxide.

On December 21, 1994 the government announced a new program to encourage the development of biomass derived fuels. It is obvious that the banning of MMT as contained in Bill C–94 dovetails perfectly with this program. In addition to helping improve the environment, the government's support of ethanol investment will benefit agricultural producers and create industrial development. There is no doubt in my mind that the banning of MMT will boost demand for ethanol and help to create new long term markets for corn and grain as feedstock to the ethanol process.

I heartily support Bill C–94 and I strongly encourage all members to do likewise.

Mr. David Chatters (Athabasca, Ref.): Madam Speaker, I have a number of questions.

I cannot remember when I have heard such a gross distortion of facts as we have just heard. Perhaps it is as a result of overexposure to manganese.

Does the member not believe that officials and experts in the Department of Health are competent and reliable? Has she read the blues from when Health Canada appeared as a witness before the committee and on several different occasions clearly stated manganese in fuels does not present any health hazard to Canadians? That is clear. It is written down and there for her to see.

• (1110)

The other comment I have is a return to the red herring of ethanol. The member should check the evidence presented by witnesses. Every manufacturing and refining witness that appeared before us said ethanol is not an alternative, that it will not replace MMT.

Mrs. Ur: Madam Speaker, I thank my colleague for his question. Perhaps his judgment is that ethanol is not the only alternative. In my speech I offered other alternatives. It is one of the alternatives that can be offered to this program.

Health is not the issue at the present time. We are looking at the air pollution issue as well. He says we do not take studies into consideration. In the United States they filed with the EPA four times as to qualifications for MMT. Three times they filed under section 211(c) and were denied. This section deals with matters concerning public health in relation to MMT as well the effect of MMT on the performance of emission control devices. They were turned down.

In their good wisdom they looked at section 211(f)(1) within the clean air act. The application was denied because it only related to the health aspects. We must consider what section they applied and when it was accepted or turned down.

There have been other studies conducted. I believe some Reform Party members said NOx emissions would be reduced by 20 per cent. However, these data were collected by Ethyl corporation. Environment Canada has said NOx would be reduced by 5 per cent. We must get our data straight on the issue.

Mr. Jay Hill (Prince George—Peace River, Ref.): Madam Speaker, I listened to the hon. member's comments quite closely. I am a little concerned she is still putting forth the idea that ethanol is an alternative to MMT. As my hon. colleague from Athabasca stated, clear evidence was presented to the committee which contradicts what she is trying to say.

Once again in her comments she has said ethanol is one of the alternatives, which is simply not correct. I would like her to retract that statement because ethanol is not an alternative to MMT.

Mrs. Ur: Madam Speaker, I thank my hon. colleague. In the past few days or weeks General Motors acknowledged that its cars would be able to use ethanol gas.

In addition I am very proud to say that gas stations have included ethanol pumps in London, Ontario, within the last week or two. They have been in touch with the car manufacturers. Obviously they know there is a requirement for such an option. I am very pleased to say ethanol is making strides in southwestern Ontario, my area.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, as I have listened to the debate over the past few days one thing has become abundantly obvious. We need to do more research. The evidence, as the hon. member said, reflects people on one side saying one thing and people on the other side saying another thing.

I appeal to the government to support the amendment my colleague from Athabasca has made. We should give some time to it. The Americans are studying it. We need to look at it some more. It would be a great disservice to Canadians to quickly rush the bill through the House. There is nothing wrong with accepting the amendment and looking at this matter a little more.

If we look at the evidence presented in committee it becomes quite clear we need to look at this a lot more. I hope the government will listen to reason and support the amendment.

• (1115)

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, I thank the hon. member for his question.

I reassure the member the government is not rushing through this issue. The minister gave notice in 1993, two years ago. In my view that is not rushing.

Further, I believe the House has been working on it since 1985 to broker a solution. Senior departmental officials from environment, transport, industry and natural resources have all been working with senior representatives from the petroleum companies and the automotive industry. This has not come by night; it has been looked at for several years with one option or another.

With all due respect, I believe there has been sufficient data put together and we have to move forward. We cannot constantly be looking and looking and looking. We have a party in the House that tells us we are wasting money continually. This costs money. I do not say it is wasting money when we do studies, but it costs money. We have adequate information. Let us move forward on the issue. It is time to move. We have to respect the information we have collected.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the amendment 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 nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(7), a division on the question now before the House stands deferred until Monday, November 20, at 6 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.) moved that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee.

He said: Madam Speaker, I am very pleased, along with my colleague from Portage—Interlake, to move second reading of the bill that provides for the formal foundation of the Department of Human Resources. This is the last of the 10 reorganization bills and with its passage the major reorganization of departments that began in 1993 will be complete.

• (1120)

The bill primarily deals with administrative reorganization. As members know, the new department brought together portions of several other departments: the former departments of employment and immigration, health and welfare, secretary of state, and Labour.

At the outset I say the bill makes no significant changes to the statutory elements of the legislation that established these founding departments.

[*Translation*]

The bill does not change the powers of the federal government or the provinces. It gives no new powers. The mandate conferred in the bill is clearly limited to the matters over which Parliament has jurisdiction. That is literally what it says in clause 6.

In other words, the programs and structures included in existing legislation have simply been put together in this new bill.

The Bloc objects to clause 20 because it allows the minister to sign contracts with agencies and institutions other than the provinces. But this is not new. This has not changed.

For instance, the bill includes agreements on older workers with the government of Quebec and the other provinces. Under this agreement, the government purchases annuities from financial institutions.

[*English*]

All the legislation does is allow us to continue to provide assistance for older workers by buying a series of annuities from financial institutions in full co–operation with the provinces. Frankly, the attempt to raise fears and create the impression that this is some form of new intrusion is simply another example of blowing smoke, which we have seen so rampant over the past several weeks.

Why then is the legislation important? Why bring together four or five departments into a singular instrument of government? I think the vision that underlies the reorganization of the department is captured in the name itself, Human Resources Development. It tries to bring together all the different elements, instruments, programs and policies of the federal government into one coherent approach to the fundamental issue

dealing with individual Canadians. In a sense it is a single drawer out of which a number of tools can be brought to try to tackle and focus on the concerns and issues of many Canadians as they go through difficult times of personal, family and community adjustment at a time of incredible changes in society.

This is not a defence of the status quo or what used to be. It is an attempt to try to provide a new, innovative way of doing government. One of the great singular difficulties we have, as we well know, is to get people to begin to think differently about how government can relate to individuals, communities and the country. The old ways simply are not relevant to the kinds of conditions we now face. That is one reason the government has undertaken to provide a new set of instruments, brought together with a single focus of policy. It really gives us a foundation on which the role and participation of the Canadian government can tackle the real deficit problem in the country, which is not just the fiscal deficit but also the human deficit, a deficit as corrosive and undermining to the well–being of individuals as anything we face on the fiscal side.

The singular challenge we face, regardless of political opinion or jurisdiction, is how to give Canadians the ability, the resources and the support they need to manage sometimes very painful and difficult transitions as the economy changes into a globally integrated economy, as we try to cope with the major impacts of new technology and the impacts on the workplace, where job requirements and qualifications change in an instant. This almost revolutionary transitional sweep is affecting not only Canada but every country in the world.

• (1125)

The time has come for all levels of government—federal, provincial, and municipal—not to engage in the old fashioned warfare of whose turf we own, but to find ways of working together, find ways of bringing together our combined resources. The attempts to try to stake out what one jurisdiction should do versus the other oftentimes leave out one major problem. We are still talking about the same people who are interested in their family, their job and their community and simply want government to help, not hinder or in the way but provide the resources they need.

The real fear and the real uncertainty gripping the lives of people is how to cope with unprecedented change and how to make something of it that can be positive and constructive. There are those in our society and I suppose there are people in the chamber who would like to roll back that change. Like King Canute, they would like to stop the waves from coming in. That is bound to frustration.

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, I did not want to interrupt my colleague, but I have just consulted with the official opposition and we have contravened one of the rules in the House.

According to Standing Order 45(6)(a), a division deferred on Thursday is not held on Friday but is instead deferred to the next sitting day at the ordinary hour of adjournment.

The government whip did not consult with or get the consent of our party. Nor did he get the consent of the official opposition in deferring the vote.

The Acting Speaker (Mrs. Maheu): I will take that under advisement and get back to the member.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, the fundamental purpose and rationale for reorganizing the department is to put us in a position where we can take a holistic view of this transformation, try to put a finder on it that enables us to see the linkages and the crossovers.

We know full well that the problem of child poverty stems oftentimes from relationships in the workplace. We know that poor children also end up with children who have illnesses. Therefore we have to find some way of cross–linking the responses and in so doing be more effective and more efficient both within and between governments and provide the best possible answer in that respect. This means not abandoning basic values but finding new ways of doing things.

We have to recognize, a fundamental and critical issue, is that the old top down centralized hierarchies of governmental organization, which have been really a product of the old industrial age, no longer work effectively. The kind of management that is driven from a command point of view no longer works very effectively. We now must find a much different way of working in a society with individuals and communities, much more in a lateral and horizontal way than in a vertical way. The old manuals that governed inputs and outputs and measured results according to fiscal accounts no longer apply when it comes down to values.

I would like to point out one of the interesting initiatives we were able to co–sponsor with the OECD last spring. The secretary of labor in the United States and I made a motion that rather than have the OECD issue purely economic indicators every year it should begin to also look at social indicators, the impacts on investments in education, investments in welfare and what it tells us in terms of the resulting capacity and competence of individuals to make progress in dealing with the problems.

I am really talking about getting the best use of taxpayers' dollars at a time when we face real restraint and providing a much more effective way of enabling people to respond and make choices themselves and not have choices made for them.

Let me give one small example of how a saving can be made that has an impact both for the individual and for society at large. If we could get the 400,000 people who are almost permanently unemployed through the unemployment insurance

ranks and who receive benefits by changing that benefit to a form of employment benefit so they could get one more week of work, we would save the entire system $50 million, just by that one act alone, an additional week of work.

• (1130)

Think of what it does for the individual who knows that for the first time he or she has an opportunity to springboard back into the workforce as opposed to simply planning a life which is a constant round of getting from one benefit program to another. That is the key element in trying to shift the role of government and the way government operates.

This is not critical of what was done in the past. It was a product of its time. In the 1940s, 1950s and even the 1960s there was a view about how government should work in terms of providing a form of security through welfare payments and social benefits. During those times we were not facing the kind of economic transformation which is going on today. We were not facing the disruption which is now taking place.

People now have a much higher level of skills requirements. We have seen all the reports; I do not have to repeat them. The reports show that those who have some kind of post-secondary education have an 85 per cent to 90 per cent chance of getting a job. Those who have less than high school have about a 30 per cent chance of getting a job.

One cannot simply say it is the individual who has to survive and swim in that sea. I reject that philosophy. Government after all is nothing more than the combined collective representation of all those individuals recognizing there are certain things that have to be done together and not individually. We have to combine resources across the country so that when one area is facing higher unemployment, other areas help support it. That is the fundamental concept of sharing.

The more we fragment the country, the more we divide it, separate it and turn it into a series of fiefdoms, the less capable we are of helping individuals to respond when they have needs because we no longer have the benefit of that sharing. That is why the federal government must continue to play an important role in this area. Those who are the apostles of provincialism, which is to say turn everything over and make all the decisions, will recognize what can happen.

One example is a discussion we are having with the province of British Columbia. It is feeling the pressure from people who are moving in from other provinces. Those in B.C. forget that in the 1980s people from British Columbia were moving to other provinces which were picking up the responsibility. They forget that it was a very important time for there to be a balanced wheel to make sure there was a proper adjudication and sharing of resources.

That is why it is important to help redefine, select and work out how we in the new department of human resources can play that role clearly in a system of partnership. We must also make sure there is a very active and useful delivery of service to individual Canadians nationally.

In the last year in the department of human resources in its combined form, we provided in one way or another a transaction service to one million Canadians. We are the largest service delivery organization in the country. We deal with more Canadians than McDonald's, Air Canada and Sears, Roebuck combined. That is why the question of service becomes so important.

One of the most important elements of the reforms we are introducing is trying to understand how we can provide a much better service related to where the individual is and to get away from the top down command system. I used to say that the departments we brought together had a General Motors or IBM philosophy. I wanted to turn that into a Canadian Tire philosophy where it was based in the local communities with tools and instruments customized and tailored to the needs of those communities.

We are pioneering in this approach. We have made enormous progress in the past year by being able to fundamentally rethink and redo the way in which the department of human resources works. It is an attempt to find the most relevant kind of governmental organization to fit the job system and social system we are going to need as we approach the new century.

As an example, last August we announced a fundamental change in the way in which the service delivery operation of the department would operate. We are going from 450 points of service in the country to 700 points of service. We are providing a much broader network.

• (1135)

Some of my colleagues have been very concerned about how the federal government ensures adequate and effective services in rural areas. This means a much broader extension of the services of the department into areas that did not have services before. People can now access services without having to travel 50 miles or 70 miles to visit an old CEC.

I will give the example of a person in Elgin county where I visited about a month or so ago. In terms of testing out new models, one of our young officers in St. Thomas worked out a system where through the Internet he was able to provide the same access to information and services we used to provide by having somebody come into the St. Thomas office. In a period of three months with that simple change alone he was able to provide service to 4,000 new clients.

If we had had to do it the old way, people would have been in line ups five miles long every single day at that St. Thomas office trying to find information on pensions or employment.

One of the end results is that people can access the job bank in the local grocery stores, high schools, libraries, places where people go, where they carry out their normal business. We can work partnerships at those local levels so people get that same level of service.

We are also working with the disabled community to establish a new job bank for disabled Canadians which is tied in with a large number of corporations. Again the access is provided at the local level and is designed by the users themselves working with the business community. All of a sudden a number of disabled Canadians can put their resumes on the system. Businesses can recognize what those resumes are and they can do the transaction together. It frees up our own officers to do the really important and intense work of counselling and mentoring and providing good advice as to where one can go and how to get there.

One of the major advantages as well is that what used to be the old job centres are now becoming in a sense human resource centres where there is an integration of all the services of the department. Seniors, students and workers under the unemployment insurance system can all come to the same place.

As a result, seniors will have four times as many offices in which they can be serviced than previously. The new technology means that processing UI claims can be reduced to two days when it used to take sometimes 10 days to two weeks. Claims for old age security can be processed in half a day instead of eight days. That means a lot. We can put that in cold statistical terms but for a senior who has been waiting for an application for old age security, to have it within a half a day as opposed to eight or 10 days makes a big difference when they do not have a lot of money to deal with.

We are substantially broadening that network to a variety of points of service. We are using the new technology. We are not afraid of it, like some members are saying, like the Luddites of old who say that we cannot use new information systems. There is not a business, not an organization in the country which is not asking itself questions about how to improve efficiency, productivity and access by using the new systems. That is what we are now doing and implementing. It is a fundamental part of trying to provide better service for those nine million Canadians who use our services.

Not only are we integrating within the programs we offer, we are also undertaking a wide variety of experiments and projects throughout Canada in terms of a guichet unique. We are providing ways in which all three levels of government can work together to provide a common one stop shopping service.

For example, in Alberta there are a series of youth centres. Both the federal and provincial governments now combine to provide a very direct ability to deal with long term unemployed youth in three of those centres. In early evaluations and in talking to Alberta officials, we are finding a much higher success rate because we combined services and young people can come to one place and get that same kind of service.

Another interesting example is in the province of Quebec, in Alma, the hometown of the Leader of the Opposition. My department, the SQDM, the local municipalities and local clubs are now combined in a single service delivery system.

It is exceedingly strange that we are being attacked by those who say we are intruding but in fact we have a wide variety of those co–operative projects going on in the province of Quebec with the Government of Quebec. The reason we are doing that is because they work better that way. This is at the working level. It is not at the level of the top bureaucrats or politicians who love to talk about the grand design. It is at the working community level. We are dealing directly with the service in towns like Alma, Jonquière, and other places where there are these combined services.

• (1140)

The key to success is that people find it much more effective, much more helpful and much more productive for them as individuals. Is that not what it is about? Is that not what government is about? Those are the kinds of changes we are undertaking.

It also means we will go back and look at many of the old programs which were developed 20 or 30 years ago, some of which I helped to develop when I was a minister back in the early eighties, for example the national training act. We must ask if they work any more.

During this past year we have undertaken very extensive evaluations testing what does and does not work. We have produced a series of 24 different evaluation reports which are publicly available. They provide a very good assessment as to what kind of involvement or participation makes sense in the areas of benefits, youth, et cetera. Based upon those evaluations, which we have already highlighted, we are providing a substantial distillation of our programs from 39 or 40 programs down to five programs, five basic tools.

I will take a moment to articulate this most clearly. These five tools will provide the opportunity for decisions to be made at the local employment centre level instead of having to respond to some program designed and manufactured in Ottawa or the regional office. Decisions can be made right at the community level with the local partners, the provinces, municipalities, businesses and social agencies. They can tailor how those tools can be most effectively used to deal with the unemployment problem in a specific locale.

It is decentralization of a very different kind. There has been a lot of talk and we have read much in the paper about decentralization. So far it has been a somewhat restricted debate as it talks

only about decentralization in terms of transferring from the federal government to provincial governments.

Should we not also be talking about how to empower communities and individuals to make more choices? Is that not what we should be looking at in terms of decentralization? Should we not be looking at how governments become partners and facilitators in the local community context? Not only do we find a much more effective way to deal with the unemployment problem in a specific community, but we can also begin to help strengthen and enhance those communities themselves.

Social analysts have made a very good and profound contribution by recognizing that with all the pressures of the global economy and new technologies, one of the consequences has been the unravelling of what they call a civic society. Those intermediate organizations, trade unions, social agencies, community based organizations no longer have the same capacity to respond.

I will give a personal working example. When I was in school, just a few years ago—

Mr. McCormick: Very few, yes.

Mr. Axworthy (Winnipeg South Centre): You don't have to snicker.

One of my summer jobs was working on recreation programs for a boy's club, which was associated with the local United Church in inner city Winnipeg. We brought in 40 or 50 volunteers per night to provide student recreation programs at the local level in an area where children did not have much opportunity.

A month or so ago I was talking to a woman who was a contemporary of mine. She had been involved in the program and had become heavily involved in the work of the United Church in offering this program. I asked her whether she still did those programs and she replied: "No, we spend money lobbying people like you". That is an interesting change. Rather than investing their dollars in terms of providing a rooted, community based activity directly designed to meet those problems, they were mobilizing to lobby the government.

• (1145)

Is there a way we can make government a partner in that area? Is there a way government can help the local boys' club or church organization? That is why I want to decentralize the department. It will give far more discretion, far more autonomy and far more accountability at the local level so it can make decisions and work out its business plans. I believe this is a very exciting opportunity.

The other night in Winnipeg there was a major conference put on by the Institute for Advanced Research on children's problems. The institute brought together from across Canada about 20 different agencies which were pioneers in bringing together community based responses to the problems of children and youth at risk. It was a heart warming and encouraging experience. We saw how schools, agencies, local police, local municipalities, the provinces and our department all came together at the same time to provide a range of services. They could make use of the resources. Rather than having single silos or pyramids built all over town, they were now bringing them together.

Their request to us was to have an information network which would link them across Canada so they can share experiences and resources, so they can get common procurement and look at common training for their workers. That is a simple way of hooking them up to the information network.

Look at the connection. One of the reforms we are introducing in our department is the new labour market information system across Canada. Individuals can tap into that system to find jobs whether they are in Gander or in Prince Rupert. If we can provide the same information network to those child centres, all of a sudden we have substantially enhanced their resource with very little cost to us and we have made them much more effective in their local communities. That is the vision the department is trying to put forward.

How do we take this very large department, which has 27,000 employees and a budget of $60 billion, and really make it an active, involved participant at the community level along with its other partners?

At times I show some frustration at the old debate about which level of bureaucracy will control the money. I am saying the real problem is at the community level. That is where it really counts.

It gives us the opportunity to help to clarify the roles between levels of government. Contrary to the charge that there is a big intrusion, one of the direct results of the department will be to give far more space for provincial governments to begin to make decisions at their level of responsibility and jurisdiction. I firmly believe that. The time has come for us to take a much closer look at the respective roles and to build bridges to bring us together.

That is why we have formally invited the provinces to work with the Government of Canada on the decentralization of the delivery of services so we can tailor them to local labour market needs. That is the key. We cannot do it unilaterally, as some provinces want; we must do it together.

[*Translation*]

As the federal government simplifies its programs and further defines their scope, the roles of both levels of government will be clarified, and major sectors of the labour market will be open to the provinces.

• (1150)

[*English*]

That is a very major task we have set for ourselves. We have already started a number of discussions with many provinces about how we can do exactly that. One of the most important results of the new legislation we are preparing which will be introduced very shortly will give us the ability to make a much better, more effective clarification of the respective roles and to create far more space for provinces to make their decisions.

Rather than getting into the bare knuckle federalism that some people in the House have advocated, in which they seem to enjoy confrontation, it is time to start building a partnership of federalism. In that wonderful world of Judith Maxwell, one of our important social and economic confreres, said: "Is it it not time governments look at the potential of federalism, not its problems, not its disputes, but the potential of federalism?" That is what we are trying to discover and search out as we deal with the new issues, the potential of federalism, the potential we can bring together.

As I said earlier, we have already succeeded in building that in a number of new delivery systems. Let me give an example of the things in the past year we have been able to do working with the provinces in those areas.

One good example is from Newfoundland dealing with a serious problem, as my colleague from St. John's knows well. We established a collaborative approach to deal with youth unemployment. As a result of the student work and service program, 2,700 young people including 1,000 on social assistance were given an opportunity to work for a period of 16 weeks in either the private sector or community agencies. Upon completion of that work they were given a voucher and could then choose to go back to school or use it for self–employment.

A full 97 per cent of those young people on social assistance have used or intend to use those vouchers to go back to school. They worked, they earned it, they have the voucher and now they understand the importance of education. That was done with full collaboration between two levels of government working with youth agencies, schools and colleges in that area.

Does that kind of thing not indicate exactly how collaboration is better than confrontation, division and separation? That is the way to get things done, by working at that level of opportunity.

Let me give another example from British Columbia where certain ministers are claiming we do nothing. There is a major child care project going on, almost $30 million invested through our strategic initiative. Again, we sat down and worked it out. We asked how we could provide a better service in child car. The province took the lead in the design and implementation and we provided the resource through which it could establish community based child care centres that provide a series of services for 30 or 40 child care activities. They provide a common procurement, common training, respite care for parents who need it.

The evaluations I shared with a minister in British Columbia again demonstrating we have saved the child care system money because there is a common based service. Those individual child care units can provide a better range of services because there are special remedial programs for disabled children which can be shared among a number of units. That collaboration has resulted in better planning within the community level about how children can be looked after at the community level.

This makes sense, rather than getting into the bare knuckles. It is better to realize the real issue is children and how we can work together to provide that kind of service.

Another good example in Quebec is the APPORT program which the province pioneered with the previous government. It has provided a form of assistance and testing those on social assistance so they can go back to school or to work with the use of an income supplement. While the debate about separation was raging, we were negotiating with the Government of Quebec about how we could combine and collaborate jointly fund the APPORT program and extend it to new kinds of clients so that we could find a way of enabling people, rather than staying on social assistance, to find self–sufficiency and independence in their lives and find a job. This is again an example that while the great political battles are waging over here, at the community level we can do something very useful, very effective and very helpful.

• (1155)

That is one level of the kind of partnership we see as the abiding philosophy we want to put forward. Another very important problem all members of the House are concerned about, because we see it every day in our constituencies, is our young people. They have a much tougher time than our generation had. They have far fewer opportunities because of the higher demands for skill and education. They have far less certainty about what the future holds because the future is so much in turbulence and turmoil.

However there are ways we can work together in partnership. One of the areas we are exploring most actively is how to work with the private sector in this area. The most crucial area and where there have been serious problems is when young people finish their formal education. How do they open the door to new kinds of work experiences? How do they make that transition, build that bridge?

Our department has been working on the establishment of a series of human resource sector councils. We now have 19 in place. These bring together employees and employers, unions and management to work out a human resource plan for their own industry: electronics, software, tourism, horticulture, culture. They recognize, again through experience, is by bringing workers and management together they can do much better than having them separated. They also recognize they have very serious gaps in skills in those sectors and they are working to improve them.

We have just signed an agreement with the Grocery Products Manufacturers Council two weeks ago, the second largest manufacturing group in Canada with about 300,000 employees. Half its employees do not have the level of education required to meet the new kinds of technologies now coming into that business. Therefore they will start with basic on the job literacy programs. The private sector helps to support this program and the provincial governments provide support for the private sector which is taking the responsibility to manage the program.

Councils could provide very important conclusions in youth internships in which we could provide the opportunity, managed and driven by the private sector, to take responsibility for our young people to make that transition. It means that in schools in all provinces there are young people who work half days through a private sector opportunity and go to school half days. The curriculum and standards have been designed jointly by the private sector council and the local school or provincial agency.

This year 25,000 young Canadians will have the opportunity to be involved in that kind of youth internship program. Again, it is a partnership: government with the private sector; government with the local school boards; government with the provinces. That is the kind of philosophy we have to continually talk about because that is what works.

That is what the department is about, finding what works based on dealing with the real individual needs of Canadians and getting better services to them, but also developing a real set of partnerships that will enable us to reach out and cross over to find the linkages, bridges and connections throughout the country with our fellow governments, the private sector and community style agencies to combine resources and focus our efforts specifically on enabling individual Canadians to make a difference and to make a change.

Therefore I strongly recommend to the House the legislation we have before us. I hope members will see it for what it really is, not based on the old prisms and optics of the past, which is to say this is federal or that is provincial, but on the prisms and optics of the future, which is to say let us redefine government as partners with individuals, partners with communities and as partners with each other. That is the real philosophy that underlies the new Department of Human Resources Development.

• (1200)

With the accord and support of the House, we can get this legislation in place. It would give us the authority to bring together the powers of the old department and provide a coherent, concise focus on helping Canadians meet the challenges of a new century.

Mr. Boudria: Madam Speaker, I rise on a point of order. A little earlier today there was a question raised in the House about whether the vote that was deferred until Monday at 6 p.m. by the deputy government whip was appropriately deferred.

I want to confirm to the House that consultations were held by the whips. Pursuant to Standing Order 45(7), the vote was properly deferred pursuant to the consultations which had taken place as early as Tuesday of this week.

The Acting Speaker (Mrs. Maheu): In response to the point of order by the hon. member for Yorkton—Melville, since we appear to have agreement of the whips of all recognized parties, under Standing Order 45(7), the vote on the amendment for the third reading of Bill C–94 will take place at 6 p.m., Monday, November 20.

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, we have no objection to the vote being held at 6 p.m. rather than 6.30 p.m. It should have been clearly stated when it was presented to the House that consent had been reached by all the whips.

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

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, the minister who tabled the bill implies that his bill is a model of flexibility, co–ordination, decentralization, and letting the average citizen decide. Unfortunately, that is not the case, since it all depends on whether the minister is prepared to say yes or no to a project, any project.

In the final analysis, the minister will decide what will be decentralized, who will get a grant, who may co–ordinate, because ultimately, the decision will always be his. This bill is the exact opposite of flexible. This bill is unbending, and its author did not listen to Quebec.

Coming ten days after a referendum in which the people of Quebec spoke loud and clear, while giving Canada a brief respite to shape up, this bill is an insult. It is easy for the minister to say: Let us set prerogatives and jurisdictions aside and co–operate, when in this legislation he assumes powers he never had under the constitution, powers he had the colossal nerve to extrapolate from his spending powers and which he today wants to legalize in a bill.

• (1205)

With complete disregard for efficiency in the use of shrinking resources and for the constitution, this bill for the first time clearly gives the federal Minister of Human Resources Develop-

ment the power to replace the provinces in many of their jurisdictions, since, and we will see this later on, it literally allows the minister, as it says in the clause, to make decisions on all matters relating to human resources development in Canada, no less.

Far from withdrawing from provincial jurisdictions, the federal government is in fact assuming general responsibility for human resources development. The federal government is assuming the powers it needs, whether the provinces like it or not, although some do, but that is another matter and we will get back to that, but Quebec was not consulted, and when it was, it said in no uncertain terms what it wanted. The federal government is getting ready to change the social safety net, with no regard for the impact this will have on the provinces and especially on the individuals concerned.

This is a new phase, a qualitative leap in the development of Canadian federalism which tries to provide a legislative basis for this invasion by the federal government's spending power. The government has decided unilaterally to provide a legal, specific and positive basis for its spending power, which it often used to spend its way into debt. Today, the debt is being decentralized to the provinces, but the power has been recentralized to Ottawa.

This confirms our worst fears, and we discussed this during the referendum campaign. For instance, instead of announcing a withdrawal of the federal presence from manpower, this bill accentuates that presence by giving the federal government the requisite powers to negotiate and make deals directly with local agencies, without prior consent from the provinces. That is what the minister calls being flexible. Even municipalities may be approached and offered responsibilities under contracts to be concluded directly with the Department of Human Resources Development.

A good example is what happened during the so–called battle of the employment centres. We have yet to hear the epilogue to this story. Bill C–96 throws wide open the door to the delegation of the powers entrusted to the minister or the new employment and insurance commission—I will get back to this—to entities other than provincial governments and public administrations.

In other words, this bill, without any consultations, also opens the door to privatization and contracting out. Again, this is to be done on the minister's say so; if this bill is passed, he will be in a position to adopt any standards he wants and to define expected results. All those involved—including provinces, if he feels like it, organizations, people and financial institutions—will have to be totally flexible in complying with his decisions. This will remain true even though he says he wants to make employment centres responsible for some programs, since these centres will also be accountable to the minister.

• (1210)

If Bill C–96 is passed, it will also put in place the legislative framework allowing the Minister of Human Resources Development to go ahead with his UI reform according to the policy outlines revealed in the past few days. This policy is fully consistent with the bill.

I would like to stress a disturbing fact. This bill, whose only purpose, according to the minister, is to join together previously separate departments or programs, is Kim Campbell's legacy to the Liberals.

It is important to remember that, during her short–lived government, she gathered under the same roof all departments dealing with unemployment insurance, income security for both seniors and young people, literacy, student loans, employment training, and family policies. She did this as part of a major reform of social programs, as she said during the election campaign. Over 50 per cent of the federal government's budget spending is done, decided, directed, and controlled by this new Department of Human Resources Development.

The Tories did not hide the fact that they wanted to carry out a comprehensive reform. Let us not forget that, during the following election campaign, Liberal candidate Chrétien hounded the minister for saying, and we remember this, that this issue was too complex to be debated during an election campaign.

When questioned, the Liberals never suggested that they were only waiting to be elected before doing what Kim Campbell wanted to do. It is important to keep this in mind. It is important to show that when the Liberals came to power, instead of putting the departments back the way they were, they took advantage of the major upheaval ordered by senior officials who are still there. This clearly shows that the Liberal policy is the same as the old Tory policy, which is the same as that proposed in 1985 by the Macdonald Commission set up, as we know, by Mr. Trudeau's Liberal government.

Let us have a look—and I will quote the minister himself—at the new department's jurisdiction. In his budget plan tabled on February 27, 1995, he said that Human Resources Development Canada was in charge of the UI program, the income security program for children and seniors, a major part of family policy, existing federal programs of assistance to the provinces for post–secondary education and social assistance, labour market adjustment, social development and student loans. This accounts for more than 50 per cent of federal expenditures.

The federal government is playing a major role in the daily lives of Canadians without having to consult anyone, when it is literally altering the social and economic picture in Canada. But Quebec should be left to get organized to look after the people let down by the federal government.

• (1215)

Quebec is expected to live with the consequences of this government's actions, that is to say, at a time when, as we know, deficits are high, let the middle class bear the brunt of the tax load, target assistance to the most disadvantaged, eventually creating a rather difficult situation, all this without being required in any way to consult the Quebec government, which is the only government representing the people and nation of Quebec.

Must we remind members that a people that is different from others sets up its own social, economic, cultural and political structure that is not necessarily better but different, based on its priorities and its needs. Merely ten days after the October 30 vote, what Bill C–96 is saying is that the central government, through the Minister of Human Resources Development, will go ahead with its plans for reform and keep making decisions affecting the social fabric of Quebec without having to consult anyone.

No wonder it is telling us: "Forget jurisdictions. It does not matter any more". It is taking over, making an unprecedented power grab in areas of responsibility that are not its own, by misusing its spending power to provide direction, decide, take charge.

Let us take a look at some clauses. The people have the right to know. The bill reads, in part: "The powers, duties and functions of the Minister extend to—they can say that again—and include all matters over which Parliament has jurisdiction relating to the development of the human resources of Canada—that is an even wider area than the specific ones I mentioned—not by law assigned to any other Minister, department, board or agency of the Government of Canada, and are to be exercised with the objective of enhancing employment, encouraging equality and promoting social security".

The federal government is trying to take over from the Government of Quebec a very wide and ill defined area of responsibility, human resources development.

It never had that power. True, unemployment insurance legislation was put in place, but that required a constitutional amendment. Unemployment insurance and UI benefits are one thing, but we know that the government never had the power to decide and to provide direction it is now claiming over manpower training. Quite the contrary.

And what about family policy, poverty, literacy, dropouts? The government first used its spending power to interfere, and now it is making this intrusion legal.

Let us move to clause 7.

7. In exercising the powers or performing the duties or functions assigned to the Minister under this or any other Act of Parliament, the Minister may—

(*b*) cooperate with provincial authorities with a view to the coordination of efforts—

There is no requirement to do so.

• (1220)

Indeed, if you look at clause 20, it reads:

For the purpose of facilitating the formulation, coordination and implementation of any program or policy—the Minister may enter into agreements with a province—agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate.

The minister decides whether or not he wants to hold consultations. He can delegate any power to the Minister of Labour, the commission or any other person or body he chooses.

This is important, because the desire to take over the provinces' responsibility for their own fields of jurisdiction has, as we know, a different impact on Quebec than it does on the other provinces. A debate seems to be taking place outside Quebec concerning the social program reform, or a reform of federalism. Some want to maintain centralization, while others are in favour of decentralization.

We understand that, but we want to say this: those who think that there is a will on this government's part to decentralize should open their eyes and their ears, and they should read these provisions. They will realize that what is in the making is not decentralization but, on the contrary, what one might call recentralization. Indeed, the central government is giving itself the means to directly decide what will happen at the local level.

It is easy for the minister to say: "Yes, citizen A or citizen B will be able to decide to—" That is not the case. The minister is the one who will really make the decision. He is the one who will decide and it will not be possible for a province wishing to integrate its programs to do so. We will let the debate proceed, but we had to make this point.

As for Quebec, it has been fighting Ottawa's centralizing views for a long time, because it conflicts with its own desire to have a well–adjusted or co–ordinated, as René Lévesque used to say, social and economic policy. Let me just mention that, before the Second World War, the Rowell–Sirois commission began preparing the ground—and would later complete the process—to ensure that, in Canada, major budgetary social and economic decisions would all be taken by Ottawa, with the provinces becoming mere flexible subcontractors.

The bill introduced by the human resources development minister is not new but is certainly in line with the recommendations of the Rowell–Sirois commission. However, succeeding governments in Quebec have always fought hard to maintain control over the province's social and economic development.

The war helped the central government, by allowing it to centralize all taxes. Once it had a foot in the door, Ottawa would not back out.

In Quebec, the public, co–operative organizations, as well as grass–roots movements, created a coalition, somewhat like the one which we witnessed during the referendum campaign, and told then premier Duplessis: "Quebec needs its own taxes".

• (1225)

That tax is what allowed the then exuberant Quiet Revolution to be channelled into specific projects.

At the federal–provincial conference on poverty in 1965, René Lévesque, who was to become the first sovereignist premier of Quebec and was then a federalist minister in a Liberal government, gave a very clear explanation of what the position of his federalist Liberal government was at the time.

I quoted him in relation to Bill C–95 but, if you will allow me, I shall repeat the quotes here for the benefit of our audience and for argument's sake. I do so for the simple reason that they show that Quebec has made no progress between 1965 and 1995 in controlling its own future. It has regressed. Quebecers have seen their situation worsen. Concretely—applying it to manpower—the people find themselves face to face with two levels of decision–making, to their disadvantage.

René Lévesque said that it had become imperative to establish a genuine economic and social policy. This policy needed to be integrated, flexible in its mechanisms; it needed to include a social security system centred on the family and be based on the right to assistance on the basis of need. Secondly, he said, for the sake of efficiency and on constitutional grounds, the Quebec government alone could and should, within its own territory, design and implement such a policy. I repeat, for the sake of efficiency first, and on constitutional grounds.

Thirdly, Lévesque said, the social and economic development policy they had formulated would create an integrated social policy—I would interject here that the foregoing is the key phrase—regional development policy, manpower policy, health policy, housing policy and job training policy.

Finally, he said that, as a federalist, the general policy, while he did not necessarily condemn it, did not necessarily correspond, in terms of its spirit and terms of application, to one the Government of Canada might opt for. The people of Quebec would enjoy at least as many if not more benefits than other Canadians might.

For the sake of efficiency, for the sake of determining economic and social policy as a function of needs and priorities, at a time when money is scarce, it is urgent for Quebec's economic and social policy to be integrated. Nothing, however, could be further from integration than this Bill C–96, which makes the Minister of Human Resources Development the key figure in that organization, as he has so aptly said himself.

In the manpower field in particular, there is unanimity in Quebec, and this has been expressed by another resolution by the Société québécoise de développement de la main–d'oeuvre, which comprises banking co–operatives, school boards, the Conseil du patronat, along with municipal institutions, co–operative businesses—just about everybody, you might say.

The Société québécoise de développement de la main–d'oeuvre, on the proposal of Mr. Béland and with the support of Ghislain Dufour, made a unanimous decision to ask the government—the federal government to be precise—not to put in place a parallel partnership structure or try to interfere with Quebec's jurisdiction over manpower development.

• (1230)

The board also indicated that the Société québécoise de développement de la main–d'oeuvre is and must remain the favoured partnership structure regarding Quebec manpower issues. Must I remind the House that this organization is not a government organization, but one whose members represent private groups. This is the organization through which the manpower policy is implemented. It stresses, almost imploringly, that the federal government is set to put in place another network, adding an extra level of consultation, decision and assessment.

This is not a reflection of the central government's will to eliminate duplication and overlap, but of its will to take over everywhere, pushing the provinces aside and sidelining Quebec. Because it must be borne in mind that the cutbacks announced in relation to the Canada social transfer will result, in 1997–98, in a $1.9 billion shortfall on top of all the other cuts.

Quebec is going to go through some rough times. Meanwhile, the central government and its HRD minister are letting UI fund surpluses accumulate, so that they can play Santa Claus by going over the Quebec government's head and spend this money in provincial areas of jurisdiction. But contributions to the UI fund come directly from employers and workers.

The minister of employment and consultation herself vigorously denounced his bill. She says that: "Like its labour market partners, the Quebec government denounces Ottawa's intentions to set up its own parallel manpower structures in Quebec. This federal initiative amounts to a flat rejection of the unanimous Quebec consensus, repeatedly expressed, both under the previous administration and under the current one, on the need for Quebec to regain control over all labour adjustment measures, including the related budgets".

Lise Bissonnette referred, in several editorials, to this increased desire to interfere, the term is not strong enough because the federal is not simply interfering, it really wants to assume Quebec's power to make its own political and economic decisions. This is not the first attempt by the central government to bypass the Quebec government and manpower corporation.

Former minister Valcourt tried to do the same. Remember who told him off? None other than Liberal minister Bourbeau, also a federalist, who said: "Your commission does offer grants to what it calls co–ordination groups for all sorts of projects, directly or indirectly related to manpower training. These groups include all kinds of associations. Such projects seem relatively pertinent, but others are more questionable".

He then said: "Obviously, this is a new structure used by the federal government to spend money which comes primarily from the UI fund".

He also added: "What is unacceptable with this approach is that it is totally improvised, this at a time when, more than ever, government intervention in the manpower development sector must be planned according to priorities, so as to deal efficiently with issues such as manpower shortage, retraining in growing economic sectors, as well as improvement of skills, and thus benefit from market globalization".

• (1235)

Minister Bourbeau continued by saying: "I find it hard to believe that the federal government would wilfully do things which, under the pretence of initiating a rapprochement with the private sector, would result in the establishment of a network of intermediaries, given that it pledged it would not do such a thing".

I only alluded to manpower training because it is a very sensitive issue at a time when Quebec is, sadly, the champion of poverty, with an unemployment rate still at 11.2 per cent, and with Montreal in 23rd place, out of 26 Canadian cities, in terms of income level. We, Bloc Quebecois members, will do everything possible to ensure that Quebec does not remain in that situation. Less than 10 days after the referendum, instead of listening to us, they impose with an iron hand diktats that do not meet Quebec's economic and social needs and priorities.

Madam Speaker, I move, seconded by the hon. member for La Prairie:

> That all words following the word "That" be deleted and replaced with the following:
>
> "this House declines to give second reading to Bill C–96, An Act to establish the Department of Human Resources Development and to amend and repeal certain related Acts, because the principle of the Bill includes no provision requiring the Minister, as part of that person's powers, to award full and entire financial compensation to any province wishing to exercise, fully and alone, jurisdiction over human resources development".

If the government would only give a sign that it has heard Quebecers' majority vote calling unanimously for major changes, especially with respect to manpower, it could have given a sign. By moving second reading of this utterly offensive bill, the government shows no concern for efficiency and integration, for Quebec's need to co–ordinate all its resources at a difficult time, for the Constitution, for the wishes expressed once again by 100 per cent of Quebecers.

Consideration of this bill will allow us to say that this dialogue of the deaf, which has been going on for so long and which hurts both Quebec and probably Canada, must end. Should Canada, however, end the dialogue by refusing to listen, Quebecers know which way they must go to take control of their own destiny. In the interests of the whole population of Quebec, of the whole Quebec nation, Quebecers have shown the way that they will have no choice but to follow.

The Acting Speaker (Mrs. Maheu): The amendment is in order.

The debate is now on the amendment.

• (1240)

[*English*]

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I am pleased to speak to Bill C–96 today.

At first glance one might think that a creation bill such as this is little reason to engage in debate, but there is indeed much we need to discuss. It is not so much what the bill says but the issues that underlie the bill that merit a resounding rejection.

I will examine a recent event that speaks to why I stand before the House to express my rejection of Bill C–96.

As members of the House know, our country is submerged in troubling times. The referendum in Quebec has paralysed the House, the Liberal government and in particular the Minister of Human Resources Development. Promises made in the red book have fallen by the wayside as the government has chosen to do nothing, fearing the consequences of decisive action.

My party stated clearly at the outset of the referendum that we favoured a strong and united Canada. To this end, we made positive contributions to the debate. We outlined a very clear position for a new confederation. Our plan would change Canada for the better and bring our country into the next century healthy, vibrant and able to cope with its new challenges. Unfortunately for Canada, the no campaign launched a strategy based on a do nothing approach. It believed the status quo would work. In short order, however, it became obvious that this strategy was a complete and utter failure.

Our Prime Minister had a 10–point lead in the polls and lost it all. In a move motivated by panic and fear he committed a huge virage. After having categorically rejected constitutional changes, after having categorically rejected administrative changes, the Prime Minister capitulated at the last minute and offered up constitutional changes and distinct society. As we all know, this tired rhetoric was soundly rejected by Canadians, not once but twice.

Let me remind the Liberals that one of their titans, Mr. Trudeau, thoroughly and publicly denounced this strategy on Monday of this week.

In light of the Prime Minister's virage, Canadians are expecting great changes from the government. However, in the week that has just passed, do we have any indication of change? I think not. Instead of change, the Minister of Human Resources Development is attempting to sell us this flawed bill, which not only grabs more powers for the federal government but also fails to introduce one single noteworthy measure of administrative change.

I will speak on a number of areas the substance of Bill C–96 eliminates. My comments will touch briefly on these areas: specific concern with some of the bill's provisions; the government's trivial attempt at post–secondary education reforms; the government's non–existent approach to decentralization; the government's brazen attempt at accountability; and the government's invisible strategy for reform of the Canada pension plan. All these issues will show beyond a reasonable doubt that the House has only one option: it must clearly and soundly reject the bill.

In the bill the minister is accorded the power to deal directly with groups and municipalities for the delivery of social programs. This power circumvents the provinces directly and attempts to keep them out of the decision making process. This is disconcerting, as it is the provinces that have constitutional authority for social program delivery. This power contained in clauses 20 and 21 of the bill further demonstrates the government's penchant for power grabbing and invasive behaviour.

• (1245)

The bill also allows for the appointment of a minister for labour. If the government feels the need to increase the size of its cabinet then it should admit so publicly, rather than doing it through the back door like this. The government has an obligation to be forthright in its reasoning. If I were a cynic I might suggest this change amounted to nothing more than the creation of a position at the cabinet table for the no campaign strategist, the hon. member for Saint–Henri—Westmount. I will not imply motive as I am an optimist. Instead I will leave it to Canadians to judge this for themselves.

I would like to steer the discussion toward education. There can be no doubt that education forms the bedrock of a successful nation. Bill C–96 represents the creation of a department which oversees the federal role in education policy. The bill is a stark reminder that the government has no vision for an education policy which will meet the needs of Canada's students into the 21st century. The bill also reminds us that the government has failed in its attempts to create changes to revitalize post–secondary education.

By looking at the trends of globalization and retrenchment, we see not only where the government has failed but, more important, where the Reform Party offers a substantially stronger vision in this regard.

Herman Melville once said that we are not a nation so much as a world. This statement is as incisive as it is intimidating. Unwittingly it speaks volumes of the major shifts taking place today in all aspects of our world. For just as the business world is confronting the pressures of globalization to be more productive and competitive, so too are universities encountering the necessity to provide students with better tools to help Canada remain competitive.

There is at present a growing concern among educators in Canada that students are entering the world market without the requisite education and training to help them meet the needs of their chosen vocation. The skills mismatch. The global job crisis. Reinventing education. All of these are familiar battle cries of observers writing in North American journals warning of this disturbing trend.

Schools need to be relevant to reflect the realities of the modern world and to help train present and future workers who are capable of helping their employers, in whatever field, achieve higher levels of performance and productivity. For example, the challenge facing schools is to prepare future leaders to think critically about the forces and requirements that shape business operations in global markets and in different cross–cultural contexts.

What leadership do we have from the government in the area of internationalization and education? Little to none. The Canadian Bureau of International Education has reported that Canada's performance in this area is the lowest among all G–7 countries. In fact, the bureau found that the United States spends somewhat in the order of 20 times what Canada spends in this regard. We are not talking about increasing aggregate spending, but rather reconfiguring current spending to reflect our strategic needs.

The federal government simply has to be a player in the area of international education. In the short term a Reform government would work to do the following. Strengthen the policy dialogue with provincial governments and higher education institutions through regular and systematic consultation and information exchange at all levels. Increase networking and reinforce collaborative ventures among higher education institutions in priority regions and in priority areas of research. Foster the development of stronger partnerships among higher education institutions, professional associations and public authorities, business and other organizations which have a stake in the quality of higher education and research. Facilitate and encourage key stakeholders, such as the provinces and territories, national standards bodies and associations representing the learning community, industry, business and labour to develop

competency based skill tests which are matched to learning outcomes developed by learning organizations.

I want to examine a second trend, namely that of fiscal retrenchment. We are all agreed that the dismal state of public finances in Canada places a tremendous burden on the capacity of government to address any issue. This is particularly true in the case of education. Having said that, we must not let education be circumvented by, as the Smith commission noted in 1991, short term, make shift responses that have postponed temporarily the day of reckoning. I do not propose that we ignore the realities of retrenchment, but that we address our fiscal plight with a strategic mind set.

• (1250)

We must re–examine the way we fund our post–secondary institutions. Specifically we need to re–examine student loans and transfers to provinces for education.

The Department of Human Resources Development, which the bill will create, has done virtually nothing to take a lead role in promoting a new vision for education financing in Canada. Instead it has discussed, tinkered and carelessly cut.

Let us review this disappointing history. The 1994 discussion paper on reforming social security talked vaguely about life long learning. The document was long on rhetoric and short on details. It talked in generalities, as most discussion papers do. We do not need discussion. We need action. We need fresh and creative approaches to confront the plight of our education financing mechanism.

Bill C–28, passed in June 1994, made some modest improvements to the Canada student loans program. It removed financial liability from the government, which is good. However, it represents a stopgap measure for a program that requires fundamental redesign.

Some serious questions need to be answered by the government. For example, while the act made provisions to develop pilot program testing, new financing schemes, such as income contingent loans, it is not likely that anything will happen before 1997. That is four years that Canadians will have waited for the government to act, four years that the government has neglected the need to address questions of access and sustainability.

Another fundamental question that lingers is one of strategic intent. When loan eligibility is controlled by the government, loans do not provide an incentive for students to enter areas of study where there is good occupational demand. Competitiveness and productivity must be linked to education. We must determine where there is need and focus our energies to promote education in those areas.

The 1995–96 budget announced changes to the fiscal transfer regime by creating the Canada health and social transfer, known as CHST. Through the CHST the government carelessly cut transfers which support education financing and made it increasingly difficult for taxpayers to measure whether provinces are spending the appropriate amounts of money on specific programs.

The government decided that it is better to give education dollars to the provinces with no strings attached than it is to give education dollars to individuals, where it can be ensured that tax dollars are going to support their intended purpose. The logic in this is spectacularly flawed.

Bill C–96 will create a department that for two years has done nothing to make the fundamental changes required of our post–secondary education system. Why should we create a department, when we already know that it has no capacity to act on this issue?

Let us move to decentralization, an issue that has garnered significant attention of late and, in particular, when the Minister of Human Resources Development presented his remarks earlier this morning. Bill C–96 is a centralizing piece of legislation, make no mistake, despite what the hon. minister said in the House today.

Clause 6 of the bill reinforces the existing federal powers for social programs. In fact, it may even create new powers for the federal government. Even if this new power never manifests itself, the bill at a minimum entrenches the status quo of federal intervention into provincial areas of social policy jurisdiction.

I find it cathartic, though I suppose not entirely uncharacteristic, that the government should try to enact legislation which engenders and champions the notion of centralization and of status quo. To do so amidst the decentralization forces pressuring the country to change is profoundly absurd.

• (1255)

Recent events have shown to all that fundamental change is required in our federation. There is almost universal agreement that the federal government needs to rethink its current role as a provider of services and programs. In areas of social policy, we cannot continue to support a system which separates the revenue raising capacity from the expenditure function. In other areas too there is strong evidence to support devolution to the most logical level of government.

In October of this year the Reform Party released its vision for a new confederation. Reform believes that decentralization will

permit future governments to respond more effectively to the needs of ordinary Canadians. It also addresses many of the historic concerns of individuals from all provinces.

Reform's plan includes the following: giving provinces exclusive control over natural resources, job training, municipal affairs, housing, tourism, sports and recreation; giving provinces control over setting their own interprovincial standards for health, welfare and education and replacing federal cash transfers with tax points, allowing provinces to raise their own taxes to finance social programs. This decentralization will lead to a more balanced federation, one in which Ottawa will play a co–operative role rather than a dominating role.

The proposals outlined in the new Confederation speak to the long term. They furnish Canada with a vision. They put flesh on the conceptual bones of a new federalism. This is the kind of leadership that has been conspicuously absent in the federal Liberals.

How can one govern without coherent direction? It is incomprehensible. I am not talking about prescience but about the courage to say, these are my ideas, this is my vision. We have seen none of that from the government. The traditional response to fiscal crisis has been centralization, consolidation and concentration. This instinct increasingly leads to failure. Centralized control and consolidated agencies create more waste, not less.

There are many reasons why Reform speaks for this vision of decentralization. Decentralization will engender greater flexibility, allowing institutions to respond more quickly to changing circumstances and client needs.

Decentralization will create more effective programs and service delivery as the deliverers and providers of government assistance are closer to those whom they serve, which is whom we serve. Decentralization will reduce wasteful overlap and duplication created by concurrent jurisdiction and poorly co–ordinated government programs and services. Decentralization will engender greater fiscal responsibility. For a government that spends the money it raises will inherently be more accountable than the one that spends the money someone else collects. Decentralization in regard to the tax system is most compatible with the tenet of federalism. The essence of a federal form of government is local autonomy. In its designated spheres each unit is free, free to exercise its policy discretion unemcumbered.

It is important to remember in this debate on Bill C–96 that decentralization is neither a celebrated buzzword nor a passing political fad. It is a policy movement that has been vigorously championed in Canada since the 1960s. It represents reconfiguring the locus of attention in the federation. Former B.C. Liberal Party leader Gordon Gibson writes in his new book: "Canadians ultimately want less control by Ottawa and more local management of their affairs—The basic concept here is 'government closer to home'. Now home is where the heart is in our private lives perhaps, but in government terms home is where the folk have the knowledge and resources to do the job. That single thought takes us a long way".

Adhering to the rule of thumb that the responsibility for addressing problems should lie with the lowest level of government possible does not require that we disavow the notion of federal leadership.

• (1300)

A federal government with fewer employees, fewer departments, and smaller budgets can still have a steering role in Canadian society. There would still be a policy framework setting functions in certain areas, even if it delivered no services. These would include policy areas that transcend the capacities of state and local governments such as international trade, macroeconomic policy and much environmental and regulatory policy; social insurance programs like employment compensation, where paying equal benefits to all citizens requires that rich and poor share differentiated burdens; and investments that are so costly that they require tax increases which might discourage business from locating or staying in a city or province.

Even in these cases Reform believes that programs can be designed to allow for significant flexibility at a provincial or municipal level. The federal government can and must work with provincial governments to define jointly the missions and the outcome. But in so doing it must free lower government to achieve those outcomes as they see fit.

What has been the Liberal response to decentralization? The government has resisted the natural ebb and flow of this federation by operating completely oblivious to its surroundings. We saw this in the recent referendum. The government grossly miscalculated by adhering to a status quo position. Only when it became obvious to the government that its policy was indeed a complete failure did it move to make insincere promises of change. Where is this change now, this vision of a new federalism? Where is its blueprint for a renewed Canada? Where is the leadership to bring forward such a plan?

Given the government's previous attempts at major change, I suggest that we will be waiting a long time before we see substantive and meaningful change.

Let me give one example of how the government is failing to deliver on its promise to reform and decentralize social programs. Consider the current welfare issue in British Columbia. When the province made changes to its own programs by stipulating a residency requirement for welfare qualifications, the federal government stepped in and threatened the province with punitive actions. That is certainly no stranger to Albertans.

There is no question that the B.C. government should be permitted to administer its affairs without federal interference. The minister, rather than threatening the province, should back off and leave it free to run its own programs. It is absurd for this minister, who has radically reduced transfers to the provinces, to turn around and intervene in provincial jurisdiction.

The minister continues to refuse to meet with the provinces over the Canada health and social transfer. Now when the provinces try to move forward he stands in their way. This, it would seem, is the Liberal position on co–operative federalism. How terribly predictable and how truly unfortunate.

I want to discuss accountability for a moment. Bill C–96 reminds us once again that the government has embraced a policy that will bring an end to departments submitting annual reports to Parliament. This ignoble policy speaks volumes of the government's attitude toward accountability, despite the sniping from the other side of the House.

Most observers who study Parliament lament the gap that exists between the relatively rudimentary theory of parliamentary accountability and its practice. The theory suggests that there are strong linkages between the representative system that created the elected House of Commons and the executive system of departments headed and controlled by ministers.

Parliamentary control is considered in two key phases, the assigning of responsibility and authority through statutes and appropriations, and accountability through scrutiny in the House and in its committees. I can accept that the reality of modern government is not as neatly ordained as this theory might suggest. But I cannot accept any actions such as those provided for in Bill C–96, which weaken accountability through scrutiny in the House.

Reform supports in principle the current attempt to improve the accessibility of information in the budget estimates. However, by moving to end the annual reporting function before the estimates reform is in place, we are left with an incomplete picture regarding annual departmental activities and expenditures. How can this be? When the bill and others like it are enacted we will have poor estimates and no annual report. This is a disgrace.

• (1305)

At a conference hosted by the Canadian study of parliament group this past weekend the Auditor General of Canada stated that it was time for the government to go beyond rhetoric and embrace true accountability. The government would do well to listen to its own auditor general, because Canadians want information about their government. Canadians deserve to have access to good quality information about their government. For a department that spends some $70 billion annually, I think the relatively minor investment that an annual report could engender is a worthwhile expenditure.

In broader accountability terms the government does not have a solid track record. It is for this reason that I make specific reference to accountability in my remarks today. The red book outlined the seemingly ambitious agenda to restore integrity to the institution of Parliament. What has been accomplished since 1993? Not very much. Where are those free votes? Where is the independent ethics counsellor who was supposedly reporting to Parliament directly? Where is our code of conduct? Where is our real MP pension reform? Where is the promise of increasing the role of committees in drafting legislation? How can there be so many unanswered questions?

The Liberal government has made a mockery of parliamentary accountability by showing such brazen disdain and contempt toward its election commitments. It has talked incessantly about transparency, about integrity and about commitment to the Canadian people. In truth, the question is not really how many commitments have already been broken, but when next will the government break another one.

Because of this shameful lack of action the institution of Parliament has suffered. Members from all parties have suffered. Most significantly, the Canadian people have suffered.

Mr. Richardson: The only party that suffers in the House is the Reform Party.

Mrs. Brown (Calgary Southeast): The government has articulated the precepts of integrity but has failed to deliver the substance of its bravado. Canadians are right to be disappointed.

We were promised a new approach to accountability and ethics. Instead, we have received well rehearsed rhetoric and woeful policy from that side of the House.

I turn my attention now to the issue of pensions. Bill C–96 will create the department responsible for administering the Canada pension plan. Given the importance of the program to all Canadians, it is only fair that we spend some time reviewing what the department has been doing. My review will be brief because in truth the department has done virtually nothing to address what the government has deemed unsustainable.

The government, in refusing to confront the issue, has said to Canadians that it is not concerned about their futures. There is widespread consensus that the Canada pension plan is in trouble. In October of this year the chief actuary for the Office of the Superintendent of Financial Institutions stated: "The CPP's projected costs are considerably higher than previously expected. If the existing schedule of contribution rates is not increased and benefits continue as now legislated, the CPP fund is expected to be exhausted by the year 2015".

Other evidence suggests that prevalent fear and concern exists among Canadians regarding CPP. A Bank of Nova Scotia poll released last month stated that 75 per cent of Canadians distrust the security and sustainability of the Canada pension plan. The survey also showed that of those people aged 30 to 49, fully 81 per cent reported that they are not confident about the ability of CPP to provide them with income when they retire. When so many are in agreement that changes are overdue it is incomprehensible why the government has failed to make changes in its promise in 1993 to do just that.

Not long ago the Minister of Human Resources Development responded to my question in the House of Commons by stating: "The best way in which the hon. member can make a contribution is to start putting forward her own proposals on behalf of her party". If the department that Bill C–96 creates will not put forward its ideas to address our enfeebled Canada pension plan, it is only fair that I present Reform's vision for renewing CPP.

• (1310)

Reform believes that the Canada pension plan is under considerable financial strain, a strain which if not addressed will jeopardize the pension benefits of today's seniors, those baby boomers edging toward retirement and our children who are beginning or who will soon enter the workforce. This evaluation of the Canada pension plan is not fearmongering or partisan politicking. It represents the opinions of the governments and of ordinary Canadians.

Through access to information I obtained a briefing note prepared for the Minister of Human Resources Development written by one of his senior policy analysts. She writes of CPP that "the costs of the Canada pension plan are rising faster than the actuarial assumptions predicted". She continued in the note to say that "amendments may be required to Canada pension plan benefits or to restrict the cost of the benefits". The senior policy analyst recommends therefore that the government increase contribution rates for CPP or implement cost cutting measures in the Canada pension plan.

The only proposals for changing CPP the government is considering are cutting seniors' pensions or raising taxes for CPP contributions. We already have evidence that the government prefers the easy yet reckless tax grab option. On November 2 the government announced a payroll tax increase to support a faltering pension system. The Liberal penchant for tax increases, which is already legendary, once again rears its ugly head.

Unlike the government, Reform believes we can renew the Canada pension plan without cutting seniors' pensions and without relying on contribution rate increases. Our plan would gradually convert CPP into individualized, privately invested accounts similar to RRSPs. The total investment income in these millions of accounts will greatly exceed the total income that is possible under CPP's current restrictive investment parameters. This increase in total investment wealth is key to our plan for making possible a renewed CPP that is generous to all age and income groups.

The first point of our four–point plan to renew the Canada pension plan is a guarantee to seniors. The first step in CPP reform must be to provide a protected status for all benefits being paid to the current generation of seniors. Reform believes that when there are any changes to CPP, no matter what they may be, no matter who proposes them, those changes must never touch any benefits that we as a society have promised our seniors.

If the Liberals implement cuts to seniors' pensions, as suggested in the briefing note to which I referred earlier, we can expect a seniors' uprising like no one has ever seen. Reform will help in every way possible to take that uprising to the House of Commons and even to the front doors of 24 Sussex Drive. We will not allow anyone to tamper with promises we have made to our seniors.

The second point provides for recognition bonds. Because people over a certain age, say around 40, will not be able to build up enough savings in their super RRSPs to compensate fully for the loss of their Canada pension plan benefits, special bonds will be issued guaranteeing the redemption upon retirement of all previously made contributions to CPP. Once we have guaranteed seniors' benefits in point one, this point guarantees benefits for those who are quickly edging toward their retirement but will not be able to fully benefit from their new super RRSPs.

This brings me to my third point, the creation of super RRSPs. Who should Canadians trust to manage their retirement savings, themselves or a government saddled with a $560 billion debt? Instead of contributing to the Canada pension plan to provide for their retirement, individuals would contribute into what we call super RRSPs. The conversion process from CPP to super RRSPs would gradually reduce the financial demands on the CPP system while keeping payroll deductions at reasonable levels. The excess revenues would be diverted into each worker's RRSP.

• (1315)

The fourth point of our plan for renewing the Canada pension plan is to improve benefits for elderly widows. The avaricious benefits given to elderly widows of deceased CPP contributors would gradually be replaced by a system under which full ownership of the spouse's super RRSP would be transferred to the widow without tax implications.

Here are constructive ideas for addressing an issue about which most Canadians feel deeply. We have initiated the debate. Reform is prepared to discuss real options and is open to innovative ideas.

Reform has a vision. Where is the Liberal vision? Where are the Liberals as we navigate the rough waters of complex policy?

An hon. member: Right in front of you.

Mrs. Brown (Calgary Southeast): It is clear they have missed the boat. They have no ideas, no vision and no stomach for white water. At a time when Canadians need leadership the most, the government has failed to deliver. How truly sad. We should give the hon. member on the other side of the House a bull horn.

I have spoken at length about my concerns regarding Bill C–96. In light of what I have said my conclusions are self–evident. I cannot and will not support the bill.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, there is considerable mischievousness going on here today. I want to correct a couple of flagrant errors.

The Prime Minister said in the House on a number of occasions that the pensions of seniors, those who have them now, would not be cut. He did indicate it may be necessary to look at the amount being contributed at this time for future pensioners.

For the Reform to suggest that is what the Liberals are doing, that is what the Prime Minister is doing, shows it has not been listening. It is unfortunate it would stoop to that. Reform members are trying to put their party and their leader in front of Canadians. That is what that kind of remark does. That is what it suggests.

It is not unlike the remarks made during the referendum campaign. I have here over 30 some quotes from newspapers throughout the country condemning their behaviour, indicating quite clearly they were playing politics. They were putting their party, their leader in front of Canada. I would be delighted to share those comments with them if necessary.

For that member to suggest pensioners will trust Reformers, Reform policy to protect them is really dreaming in technicolour. I doubt it very much.

With respect to the official opposition I shall try to prove the bill is an administrative bill. It is putting the pieces together so that the job can be done. It is the kind of bill that will still require co–operation and partnership, those very elements required in order to make Canada work.

There are no new powers in the bill. My colleagues in the official opposition know it.

[*Translation*]

Clause 20 of Bill C–96 raises concerns for the Government of Quebec as well as for certain members of this House. It is the one authorizing the minister to enter into agreements with provinces and financial or other institutions.

Some members are concerned more specifically that this clause gives the minister too broad a discretionary power for entering into agreements with local organizations, which might lead to encroachment on provincial areas of jurisdiction.

To clarify the situation, it might be worthwhile to examine the exact wording of clause 20. This clause states very clearly that these agreements are expressly intended to facilitate the carrying out of programs, and I quote, "—relating to the powers, duties and functions referred to in section 6—"

This clause sets out the mandate of the department and, let me repeat, without introducing new elements and without creating new powers. This is, obviously, what limits the discretionary powers which could be conferred upon the minister.

• (1320)

These powers are restricted by the very mandate of the department, which the bill clearly defines as restricted to all matters over which Parliament has jurisdiction. Moreover, it has been repeated on numerous occasions in this House that Bill C–96 assigns no new powers to the minister. The bill makes no change in federal areas of jurisdiction, no change whatsoever, nor in those of provincial governments. In this connection, the bill makes no change whatsoever in the present situation. Clause 20 does not, therefore, in any way authorize the minister to encroach upon areas of provincial jurisdiction. Is that clear, now?

The purpose of clause 20 is very simple. It allows the department to sign contracts with other organizations, which is normal. The department could not continue to function without that power. HRDC has signed hundreds of contracts and agreements with a broad range of Quebec groups, I might add, including agreements with the Government of Quebec, which are important to Quebec workers seeking to obtain training and get back into the work force.

The existing legislation already allows this, the bill merely picks these agreements up again. Nothing is changed. In 1994–95 alone, HRDC signed more than 50,000 contracts relating to manpower in Quebec, representing in all $695 million in program financing and income support.

These contracts break down as follows: 9,600 contracts with non–profit organizations; 9,300 contracts with businesses in the private sector; 2,800 contracts with public sector institutions such as municipalities; 3,200 contracts with the Government of Quebec and 25,000 contracts under the program for independent students, which provides income support for unemployed workers while they are receiving training.

I am sure that, all things considered, no one would suggest cancelling the agreements made possible under clause 20. Think of the consequences. It would mean the end of shared–cost agreements to help welfare recipients back on their feet. It would mean the end of funding for groups like the world famous Cirque du Soleil in Quebec City, which has carried out HRDC

training and job creation programs since 1987, programs that really make a difference in the lives of people who need help.

It would mean the end of our partnership with two Quebec government departments which support youth training and job search programs through the Relais des jeunes adultes du sud–ouest de Montréal. It would mean the end of our partnership with the Société québécoise de développement de la main–d'oeuvre, which helps new businesses get established through the Société d'aide au développement des collectivités de Sorel–Tracy Inc.

It would mean the end of our agreement with the SQDM to help workers affected by the closing of the Hyundai Plant in Bromont, last March. It would mean the end of our agreement with the local Human Resources Canada Centre and the Société de développement économique in Jonquière on the collection and exchange of labour market information. It would mean the end of agreements on one–stop services, like the agreement involving HRDC, the industrial commissioner and the Office de tourisme de Témiscamingue on providing services to promote industrial, rural and tourism development.

It would mean the end of the partnership in Gaspé between HRDC, the SQDM, the Fédération québécoise des rivières à saumon du Québec and other groups that are working on upgrading the skills of salmon fishing guides. It would mean the end of the Older Workers Adjustment Program, a federal–provincial agreement that provides $54 million in assistance to displaced workers in Quebec.

In fact, the Older Workers Adjustment Program is a prime example of why it is so important for the minister to be able to enter into agreements, not just with other governments but also with financial institutions, for instance.

• (1325)

Thanks to the Older Workers Adjustment Program, the federal government purchases annuities on behalf of older workers. During the past three years and up to now, we have spent more than $111 million on purchasing these annuities and have helped nearly 5,000 older workers to face the future with a measure of security.

We would not be able to continue this practice without clause 20, which simply gives us the power to keep helping these workers.

These agreements and thousands like them in communities in all Canadian provinces are what clause 20 is all about. We have no intention of using clause 20 to bypass the provinces or get involved in areas of provincial jurisdiction. No intention at all.

For example, clause 20 gives us the power to enter into agreements with financial institutions providing student loans under the Canada student loans program, which is bigger and more flexible. As it is clearly entitled to, the Quebec government chose to withdraw from this program in favour of block funding.

Clause 20 will preserve this kind of flexibility, which fully respects each province's powers and priorities.

The department's ability to conclude this kind of agreement will become even more important as the department continues to streamline operations and decentralize programs.

For example, the minister is testing various ways of ensuring local integration by establishing decision making and service development at the local level. We must move away from the highly centralized and compartmentalized programs imposed by the central administration and give local authorities a much greater latitude in making decisions. It is then easier to develop an integrated range of programs and services meeting the needs of the various communities.

This will be impossible if we cannot enter into agreements with the people and organizations with whom we must work. Impossible.

It would be impossible to build on the real progress we are making in integrating more effectively the federal government's resources with those of our partners. Local CRHCs are already learning to form more effective partnerships with schools, colleges, businesses, unions, and community organizations.

In fact, many programs are now designed to integrate public and private sector resources. For example, the department has created 16 sectoral councils to co–ordinate the management of human resources needs in the private sector. These councils now affect nearly 36 per cent of Canada's labour force, and many other councils are being created.

In each of these councils, both labour and management in a given industrial sector work together to develop a master plan with respect to their human resources needs. This co–operation constitutes the basis for some truly innovative partnerships. Under the internship program for example, sectorial councils developed training courses to allow young people to gain experience in areas as varied as electronics, horticulture, tourism and knowledge based industries.

In this partnership, businesses and unions set criteria and develop curricula together. Then, they make arrangements with local high school, community colleges and cégeps. In fact, they themselves give the hands–on portion so that the young people get an adequate mix of academic and practical training.

By integrating governmental and private sector resources this way, we end up with a more effective and efficient program. In fact, not only do our private sector partners manage the program, they also invest in it.

This kind of forward–looking initiative attracts a great deal of interest. Other countries are looking into possible scenarios to involve the private sector and local communities in developing internship programs.

Without clause 20 of Bill C–96, all these innovative initiatives would simply boil down to nothing because there would be no mechanism to govern all the administrative arrangements involved.

• (1330)

There is nothing catastrophic about clause 20. There is no need to read between the lines. Clause 20 is straightforward.

I know that some believe that it goes further, that it will give the minister the power to dismiss concerns expressed by provincial governments. The minister has already given these people the assurance that provincial governments will continue to be consulted, as they were in the past, about the kinds of agreements that HRDC will be making.

He even went as far as stating that he would not enter into any agreement without the prior consent of the appropriate provincial government, if that is what the province wants.

I do not know what more those who oppose clause 20 could ask for. Instead of trying to find in Bill C–96 examples of usurpation of power which simply do not exist, we should get on with the real tasks of creating partnerships, co–operating, and providing jobs to Canadians. This is indeed the purpose of Bill C–96 and clause 20.

We all know that co–operation between the federal and provincial governments could be improved in matters of labour, as well as in any other sector.

Federal–provincial agreements and partnerships would help find better ways to fulfil our respective mandates. There is no doubt about that. The issue must be carefully examined, and this is why the minister sent a direct invitation to the provinces to start discussing it.

However, if we really want these discussions to be productive, we must pass this bill now, in order to continue shaping a new department and a new era of flexible federalism.

We must pass Bill C–96 to continue providing effective services to all Canadians.

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I have listened attentively to the remarks by the hon. member for St. Boniface, and note that sometimes the more we talk, the less we understand each other.

The hon. member suggests that this clause 20 will lend much more flexibility and better harmony between levels of government. The clause must be read; it states "—the Minister may enter into agreements with a province"—may, not must—"or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate".

In order to keep it short, I would just like to ask my hon. colleague from St. Boniface if he recalls that post–secondary education, for example, as well as social assistance, are exclusively provincial jurisdictions? If he does recall that, is he aware of everything the federal government has done to date, not just this one, but all those before it over the past twenty years, to intervene via their financial powers in these two areas, in areas over which provinces have exclusive jurisdiction? Is he aware of this?

Mr. Duhamel: Madam Speaker, I thank my colleague for his question.

Yes, I am very much aware. I understand that, in the past, the situation was less than perfect, and I believe that we have tried to improve the situation, and have improved it. I believe that this bill is exactly what it claims to be, that is to say an administrative bill, one which confers no additional powers upon the minister or the department or the provinces or anyone else.

I believe that there is a guarantee, not only in the bill but also by the minister himself, that he has no intention whatsoever of encroaching upon provincial responsibilities or trying to interfere in their areas of jurisdiction. I believe that this is a firm commitment, an honest one, an honourable one, and one that will be respected.

• (1335)

I understand that there may be differences of opinion, but I would like to start by inviting my colleagues to make concrete proposals so that we may work together better to improve the condition of all Canadians, including of course the men and women of Quebec, where employment is concerned.

We all know what human beings want above all is a job, a challenging job, one that pays enough to keep them and their families. The challenge is to make concrete suggestions; we could sit down together. Let us make sure that the government of Quebec comes to meet with us, or we could go to meet with them if that suited better, if it were easier, in order to reach agreement.

Secondly, apart from what I have just proposed, if there are questions—and obviously there are—which are bothering us, raising doubts about certain possibilities, if you like, if we might just put them aside and discuss them in the appropriate forum. For example, there are issues on federal–provincial affairs, links, reports, agreements between the two levels of government. There are mechanisms for discussion. I would invite my colleague to encourage his colleagues to do every-

thing possible to allow us to work for the people, whether they live in Quebec or elsewhere. That is my wish.

Mr. Dubé: Madam Speaker, I could not resist asking the hon. member for St. Boniface whether, considering his comments and the tone of his reply, he himself would support the resolution adopted unanimously by the Quebec National Assembly under Liberal Premier Daniel Johnson, who this year was the president of the No committee during the referendum campaign?

This resolution is similar in every respect to another resolution adopted by the Société québécoise de la main–d'oeuvre, whose membership includes the Conseil du patronat du Québec and various institutions and labour federations. The Conseil du patronat is headed by Mr. Dufour, another supporter of the no side, who demanded the patriation of tax points for occupational training. The resolution asked the federal government to agree to relinquish these tax points and let Quebec act as it saw fit, as the people—he used the word people—as the vast majority of the people of Quebec want. Would the hon. member support this demand?

Mr. Duhamel: Madam Speaker, personally I am prepared to consider any option. I am not the minister responsible for this particular matter or for the department, so I will not get into an area with which I am not sufficiently familiar. I think the hon. member will understand my position.

However, I do feel it is essential to put these matters on the table, to discuss them and to come up with flexible solutions that respond to the needs of the people, not only those of Quebec but of all the other provinces and territories of Canada. That would be my approach.

Theoretically, there is nothing that cannot be put on the table or discussed in a frank and forthright way. We should look for flexible solutions that respond to the needs of all Canadians. That is about all I have to say. It would hardly be fair to expect us to do otherwise, and I am not particularly keen on taking a position on certain issues when I am not sufficiently familiar with the subject to suggest a solution.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, I would have a question for the hon. member for St. Boniface.

During the recent referendum in Quebec, a certain regional party at the federal level did not get involved. Yet, it did not lose any chance to try to score political points. What does the hon. member think of that?

Mr. Duhamel: Madam Speaker, I can understand. I am a federalist obviously and I was on the no side. Naturally, I would have done my very best to keep Quebec within Canada.

• (1340)

I have great respect for Quebec and Quebecers. Of course, as a representative of a francophone minority outside Quebec, I am biased, I am prejudiced, so to speak. Quebec is an important reference point. As far as I am concerned, Quebec is an inspiration for francophones outside Quebec. It provides a certain infrastructure that is very useful.

I wanted my colleagues to know that. I have a deep–rooted attachment to Quebec.

Regarding the involvement of political parties, I appreciated what mine did, but I did not like at all what the Reform Party did. I found this form of involvement to be dishonest and excessive. It seemed to me that what came first for the Reformers was their party and their leader, and not the country. This observation is not mine alone; thirty or so editorial writers said so.

On the other hand, I appreciated Mr. Charest's involvement. Pardon me, I should not mention members by name. I should say the involvement of the Leader of the Progressive Conservative Party.

As for the other parties, all I have to say is that many people were playing politics with our country. I often wondered if the public interest, that of our fellow citizens, really came first for them. I came to the conclusion that it did not always come first.

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, as the official opposition's critic on training and youth, I am pleased to take part in the debate at second reading on Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts.

This is an extremely important bill because it amends several acts, codes and regulations, in addition to repealing four important acts, namely the Employment and Immigration Department and Commission Act, the Department of Labour Act, the Department of National Health and Welfare Act, and the Department of State Act.

If its only purpose was to make these changes, which, according to the Minister of Human Resources Development, simply make official the structures in place since the Liberals returned to power in 1993, we would be entitled to ask why it took so long to make official something that is already in place. It took two years, Madam Speaker.

Later we will see that the impact of Bill C–96 is more significant than what the minister and even the hon. member for St. Boniface who just spoke first suggested. In fact, it changes the balance of power between the provinces and the federal government in favour of the latter, as this government is wont to do.

The most surprising thing in all this is that the government waited until after the referendum to move for second reading of this bill in the House, which involves a debate. As we know,

there is no real debate at the first reading stage when a minister introduces a bill in the House.

Why did they wait two years and why was there no debate in the House between June and now? If it was good for both Canada and Quebec, I think it would have been in the government's political interest to debate this bill even during the referendum campaign. This could have helped Quebecers better understand the government's intentions in some important areas.

I simply want to remind you that, if we forget about debt servicing, the Department of Human Resources Development will manage over 40 per cent of federal budget spending. This is considerable; it is by far the most important federal department.

Under these circumstances, one wonders why this is the case. I happen to think, and so do many Quebecers, that it is because there was a lot at stake, including the cuts affecting social programs. But the issue is not merely related to cuts: there is also a question of power involved.

• (1345)

Contrary to what the member for St. Boniface just said, our understanding of Bill C–96 is that, with this measure, the Minister of Human Resources Development is giving himself new powers which he did not have before. These are powers which he tried to exercise in an illegal context, through the spending power of the federal government.

We must constantly remind some people of that, because they do not always understand what we mean. This spending power is provided in the constitution and, surely, the federal government can use it on certain occasions, such as during a major conflict or crisis. However, it is contrary to the constitution to use that spending power on a permanent basis. It should only be used on an ad hoc basis. The bill before us is an attempt by the government to legalize its action, by using the spending power as a model.

Let me read the press release of the Quebec minister of state for joint action and employment minister. This will give you an idea of the Quebec government's reaction when it found out about this morning's debate.

It reads as follows: "While Quebec accepted the invitation sent by the Minister of Human Resources Development to participate in a meeting on human resources management, the federal Minister of Human Resources Development nevertheless intends to proceed, this very day, with second reading of Bill C–96. That decision sends quite a message to Quebec, considering the unanimous opposition to a bill which confirms the federal government's intentions to systematically bypass Quebec's jurisdiction and institutions to maintain, and even increase, duplication regarding manpower related measures in our province". This is the reaction of Mrs. Louise Harel, Quebec minister of state for joint action, Minister of Employment, and Minister of Immigration and Cultural Communities.

"Bill C–96 amounts to a flat rejection of the unanimous Quebec consensus to the effect that the federal government must completely withdraw from the manpower sector and give related budgets back to the province". The minister added that "Ottawa's tactic was formally denounced by all labour market partners represented on the board of directors of the Société québécoise de développement de la main–d'oeuvre by way of a resolution passed on October 2.

"By initiating second reading of Bill C–96, Ottawa has confirmed that it intends to pursue its centralist manpower policy and ignore the specific needs of the Quebec labour market, thus dismissing the consensus in Quebec on manpower issues which stresses the need to fight unemployment effectively by allowing for the differences in the various labour markets across Quebec and promoting the involvement of the socio–economic players in every region and community.

"Only a proactive labour market policy that is consistent, integrated and adapted to our situation can help us fight unemployment effectively, with durable results.

"Ottawa wields Bill C–96 like a sword of Damocles. Opportunities to implement such a policy are essential to the development of employment in Quebec", concluded Ms. Harel.

Since I am reading, I might as well quote the attached document. This document was not drafted by the Parti Quebecois government but by the board of directors of the Société québécoise de la main–d'oeuvre. It reads as follows:

"Whereas Bill C–96, an act to establish the Department of Human Resources Development, which in clauses 6 and 20 gives the Minister of Human Resources Development the power to enter into agreements with a province or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the minister considers appropriate, with the objective of enhancing employment, encouraging equality and promoting social security, moved by Gérald Larose, seconded by Claude Béland, president of the Mouvement Desjardins, and resolved unanimously: That the board of directors of the Société québécoise du développement de la main–d'oeuvre take the position adopted at the Conférence permanente sur l'adaptation de la main–d'oeuvre in November 1990;

"That Quebec must have sole responsibility for manpower adjustment and manpower training policies within its territory and patriate, as appropriate, the moneys allocated by the federal government to these programs in Quebec".

• (1350)

"Under the Constitution as it stands today and to improve client services, Quebec will control and administer all services connected with employment and manpower development and all related programs funded by unemployment insurance contributions within Quebec's territory and will consequently receive the budgets commensurate with this responsibility.

"The board of directors asks the federal government, pending finalization of negotiations on the patriation of budgets, to refrain from setting up parallel partnership structures or taking steps to encroach on areas under Quebec's jurisdiction, since the Société québécoise de développement de la main–d'oeuvre is the dedicated structure for joint manpower programs in Quebec".

Nevertheless—and I could also quote a resolution adopted unanimously under Daniel Johnson's Liberal government which was along the same lines, in other words, patriation of tax points for manpower training in Quebec—nevertheless, in spite of a very close vote in the referendum and following promises for change, not by just anyone, by the Prime Minister of Canada, they said: "We will consider your desire for change". Nevertheless, ten days later, the Minister of Human Resources Development is embarking on phase two, namely the second reading of Bill C–96, which, according to Quebec political observers, is the most centralizing ever.

This morning, we listened to the minister and the member for St. Boniface talking about decentralization; they said that decentralization no longer necessarily meant cooperating with provinces in areas which are nonetheless under exclusive provincial jurisdiction; it no longer means this, it means that the federal minister has the authority to negotiate agreements with any organization, even municipal governments, and individual stakeholders. Does this take into account a people's desire for change as expressed to the federal government? Does this heed the results of the referendum? To the contrary. Nothing has changed.

The government keeps on going as if nothing had happened, following the same logic, using the same rhetoric, the same words as the green book—I am not allowed to show it—the same green book the minister tabled a year and a half ago after extensive consultations. Wherever he went in Quebec, he was told, not only by the Société québécoise de la main–d'oeuvre, but also by a multitude of stakeholders, and this is the consensus in Quebec: "Mister Minister of Human Resources Development, listen to us, please". In Quebec, we want to control education. We want our government, the Quebec government, to be in charge of manpower training, as provided by the constitution, by the way.

We want to run our own affairs. What is the minister doing? Like a steamroller, he keeps on going, making a mockery of decentralization, saying that there will be further decentralization. The federal government will deal directly with local communities, individuals and local stakeholders. He mentioned a club in his parish, in his Winnipeg riding, and said that the federal government will be able to help.

I have no problem with that. It may work for the other provinces, the member for St. Boniface may not see anything wrong with it, but all Quebec stakeholders are against it. They want no part of it. We have said it time and time again, especially since the Bélanger–Campeau Commission, in 1990. Nevertheless, the minister is sticking to his gun. For him, decentralization means keeping all the powers for himself, and hogging 40 per cent of the federal budget, excluding the debt, to deal with unemployment problems. Of course, people who hear that and are not familiar with government operation, may say: "Here is a man who is genuinely interested in creating jobs, here is a man who wants to train individuals". Of course, these are good intentions, but this is not his jurisdiction. This is not his field.

• (1355)

This government keeps repeating that we must cut spending, but continues to spend in areas outside of its jurisdiction and cuts transfer payments to provinces, so much so that they, in turn, have to cut services such as hospital care. We know about that in Quebec. We have to cut because the federal government reduced transfer payments.

It seems like the Minister of Human Resources Development and government members have not grasped the meaning of the referendum results.

I was listening this morning as the minister boasted about a youth program he implemented as a pilot project in Newfoundland. He was explaining that finally, after quitting school to go looking for work, 97 per cent of the young people had decided to come back to school. According to him that was quite an accomplishment. It is easy to understand that if young people cannot find jobs, they will go back to school but in fact, what they wanted was to find jobs.

They maintain the training programs, but they are carried out directly from Ottawa and entrusted to civil servants. I have some experience in that area; let me tell you about a specific incident.

In my riding, two or three organizations asked me to help them get some federal funds, since we are still part of that system, by finding or creating some employment programs. The minister said that if we supported the no, he would be happy to give a positive reply to those requests. He said it and then the parliamentary secretary had to come to his rescue.

When I saw, on Tuesday this week, only one week after the referendum, that the independent member for Beauce had announced in his riding a special project for an employment center, so that training could be provided directly by businesses, and that he was boasting to have been successful at that, I remind the House that the independent member for Beauce was the chairman of the no committee in that riding. Is this the federal government's new way of decentralizing management: giving things to people who are on the right side or support federalists? Is this the way of governing that they want to show Quebecers? If Quebecers had known this is how things work, a lot more would have said yes.

In the end, when you hear so much double talk— That reminds me, for instance, of the Minister of Human Development Resources, a disciple of Mr. Trudeau, who was saying this morning that he was flexible. That reminds me of Prime Minister Trudeau who said in a message that he sent recently: "Considering my legendary flexibility". If this kind of bill, of attitude had been debated before the referendum, the result—

Mr. Speaker, I see that you are inviting me to sit down because question period is coming soon, so I will conclude, and if I have a few minutes left, I will complete my statement later.

I am simply saying that if Quebecers had known that, perhaps we would be talking about something else today.

[*English*]

The Speaker: It being 2 p.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

FLORENCE CHRISTIE

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, Florence Christie of Vancouver has just been given the Canada Volunteer Award Certificate of Merit for her work for Canadians suffering from lupus.

She was diagnosed with the disease in 1980. Despite great sacrifice to her own health she has maintained constant contact and support with 50 support groups in British Columbia. In the past year she has answered over 600 telephone calls from lupus patients and has compiled and mailed some 1,300 information packages for the B.C. Lupus Society.

Her message is one of hope and inspiration that despite a severe debilitating illness one can continue to work effectively and live in dignity. The award to Mrs. Christie is one in which British Columbians and all Canadians can take pride.

* * *

HOUSEHOLDERS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, one of the cornerstones of renewed federalism must be giving the people of Canada a greater say in the running of the country. Although the Liberals are not too interested in this concept, we in the Reform Party have been trying on our own to truly represent our constituents.

The best means we have available at this time are our householders. In each of my first six householders I have asked 10 questions covering a wide variety of subjects. For the past two weeks I have been collecting results from my latest survey. To date I have over 3,800 responses with hundreds coming in daily.

Liberal members might be interested to learn that their employment equity bill did not fair too well. Only 16 per cent of respondents are in favour of Bill C–64. By comparison, 31 per cent favour the legalization of marijuana and 54 per cent favour the legalization of prostitution.

It is amazing what MPs can learn when they actually listen to their constituents.

* * *

CANADA POST

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, over the past several days, mailboxes in my city of Saint John have received a flyer from a Quebec company which was distributed by Canada Post.

The flyer is a mail order form advertising explicit pornographic videos. Included in the flyer is a detailed description and name of each of the 20 films. I will not repeat these words and descriptions as they are very explicit and deeply offensive.

I have had many calls to my riding office from people who are totally outraged by having this kind of filth arrive at their front door by Canada Post. People feel that it is an invasion of their privacy and they want something done about it.

What is the government's policy on delivering such material? Whatever the policy is, it should be revisited. I strongly urge the minister responsible for Canada Post to put an end to delivering pornography.

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VERY REVEREND LASZLO TOKES

Mr. John English (Kitchener, Lib.): Mr. Speaker, the Very Reverend Laszlo Tokes, moderator of the Hungarian Presbyterian Church in Transylvania, is visiting Canada from November 7 to 15.

The Romanian revolution in December 1989 was sparked by Reverend Tokes. He is a champion of human rights for minorities. He will address in general the human rights problems facing all Romanian minorities, especially those of the nearly three million Hungarians in Transylvania: the loss of Hungarian language schools and universities, the prohibition of the use of the language itself and the eradication of fundamental Hungarian culture.

The Very Reverend Laszlo Tokes is a man of God. He is a man of peace who stood unarmed against the brutal Ceausescu regime and sparked a revolution. His continued battle in fighting for human rights and minority rights is one which we all encourage and support.

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STATUS OF WOMEN

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, it has been 25 years since the Royal Commission on the Status of Women tabled its report in this House, making numerous recommendations to improve the educational levels for women.

Since then we have made significant progress. For example, 25 years ago less than 3 per cent of women held university degrees. Today 10 per cent of Canadian women are university graduates and 52 per cent of full time university students are women.

The need for education is gender neutral. Education for women and for men is fundamental to economic advancement, to personal fulfilment and to the opportunity to participate to their full potential in Canadian society.

Federal and provincial initiatives have improved the educational status of women. Our goal is to ensure equality in education and training for Canadian women and girls, thus paving the road to a truly equitable society.

* * *

DRAYTON FESTIVAL

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, it is my pleasure today to speak about a little known area called Drayton.

Terms such as sold out season and financial success are not usually used when referring to a relatively new performing arts theatre. However, after five successful seasons the Drayton festival is accustomed to breaking the rules.

Nestled in the picturesque village of Drayton, Ontario, the festival has fast become a Canadian success story. During the 1993–94 season the festival made Canadian theatrical history by selling out every available seat before opening night. This year some 60,000 theatre goers enjoyed an evening at this fine theatre.

Under the direction and guidance of artistic director Alex Mustakas, the talented cast and crew create a theatrical experience which is second to none.

I invite all Canadians to visit Drayton and take in a performance. However, I warn them to be prepared to be dazzled by an evening of music and laughter.

S. O. 31

FEDERAL TRANSFER PAYMENTS

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the federal Liberal government claims that it wants standards for health care, education and social programs, but federal standards are meaningless without adequate core funding. The federal Liberals have cut back over $7 billion or 25 per cent of the budgets for health care, education and social services, yet they have cut back only 8 per cent on other government programs.

• (1405)

The implications on provincial governments are devastating, particularly Saskatchewan. The province of Saskatchewan will lose $200 million in federal transfer payments in 1996.

The impact of these cutbacks means savage reductions in social programs in some provinces, forcing Canadians to relocate. They go to where better jobs and better social programs exist, putting extreme pressure on those very provinces.

Weak national standards and the absence of adequate core funding means that provinces like Ontario and Alberta can punish those that need the help most. Pitting one province against another is wrong. So is a lack of funding for national standards.

* * *

PRISONERS WEEK

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, prisoners week is an affront to all victims of crime. Yesterday I received by mail a pamphlet produced and paid for by Correctional Services Canada. The pamphlet urges us all to celebrate and pray for the plight of prisoners, to give them special recognition between November 19 and 26.

Talk about your priorities. Why should I recognize a rapist and a murderer? The solicitor general should be appalled that Canadian taxpayers are asked to pay for this glorification of murderers, thieves and rapists. The solicitor general should think about the security of Canadians as he sets aside a whole week glorifying those who would go so far as even to threaten the life of our Prime Minister.

Maybe the solicitor general has forgotten just who we have in our prisons. He is asking us to dedicate a week to people like Robert Paul Thompson, a killer of his wife; Clifford Olson, a killer of our children; and Paul Bernardo, a killer and rapist of our daughters.

This is outrageous, unacceptable and disgraceful. I challenge this government to scrap this week and let us get our priorities right for a change.

S. O. 31

[*Translation*]

UNITED NATIONS CHARTER

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the members of the Bloc Quebecois wish to point out that today is the 50th anniversary of the ratification of the UN Charter.

Fifty years ago, delegates from many countries gathered in San Francisco to rebuild international relations on a new foundation. This was no easy task, as all the countries involved had to redefine their approach to issues such as health, the environment, human rights, refugee assistance, and peacekeeping.

On this anniversary, we all feel honoured by the presence in our gallery of peacekeepers who, in recent years, have acted with courage, selflessness and compassion to promote human rights and democracy around the world. Today more than ever, they are playing a crucial role in dealing with the social and political tension and upheaval that prevail in several countries.

On behalf of all members of the Bloc Quebecois, I thank them for their outstanding commitment, that all the people in Quebec and Canada can be proud of.

* * *

[*English*]

REMEMBRANCE DAY

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, this Saturday, in the 11th month, on the 11th day, at the 11th hour, Canadians will pay tribute to the million and a half men and women who went to war to fight for this great country we live in. We come together on November 11 to pay a special tribute to those who courageously lost their lives in the first world war, the second world war and the Korean war.

This year we mark the 50th anniversary of the end of the second world war and the return of peace.

We should also recognize the new challenges faced by the Canadian Armed Forces in the post war period as peacekeepers and pay a special tribute to those who have lost their lives in this role.

We are what we are today, we have what we have because of the people we honour on Remembrance Day. November 11 must be for Canadians a day not only of remembrance and recognition, but of dedication to the hard and patient work of keeping peace.

I thank all veterans and peacekeepers for protecting Canada and its citizens and for allowing us to live in a country of peace and prosperity.

ASTRONAUT CHRIS HADFIELD

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, on Saturday morning our Canadian astronaut, Major Chris Hadfield, who is a crew member of the space shuttle Atlantis, will launch into space for an eight day mission. This graduate of White Oaks Secondary School in Oakville will become the fourth Canadian to go into space.

Watching him there will be 13 excited White Oaks Secondary School students, six students from the Milton District High School and 28 air cadets from the Blue Thunder Squadron in Milton. They are travelling to NASA to witness in person this special shuttle launch.

Major Hadfield will be the first Canadian to fly aboard the shuttle and will be the first Canadian to use the Canadarm.

On behalf of all Canadians, please join me in wishing Major Hadfield a safe and successful mission.

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• (1410)

[*Translation*]

THE ECONOMIST

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, in its latest issue, the prestigious magazine *The Economist* gives its interpretation of the results of the October 30 referendum in Quebec. Looking at the sociopolitical situation and the relations between Quebec and the rest of Canada, *The Economist* readily predicts a victory for the independentists next time.

Even foreign observers are not fooled by the stalling tactics tearing English Canada apart. *The Economist* also said that the referendum, far from representing an affirmation of Canadian unity, does not resolve anything. The real issues undermining the current federal system remain unanswered. That is why *The Economist*, like the members of the Bloc, predict that English Canada will be unable to accommodate Quebec's aspirations.

* * *

[*English*]

TELEVOTING

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, voters of Nanaimo—Cowichan will have a more meaningful say in how they are governed thanks to a recently installed televoting system in my riding.

Rather than insult my voters by only asking them what they think once every four or five years, this ongoing project in participatory democracy will register voters in my riding enabling them to vote electronically on various issues.

From November 27 to December 10, voters in my riding will be asked whether a binding national referendum on capital punishment should be held.

Members opposite appear to shun direct democracy in favour of top down party directed policy. We in Reform want to listen to what the public has to say.

We believe that the average voter wants to have a say more often than every four or five years. With the televoting system, the people of Nanaimo—Cowichan will be helping to lead the way into the future.

* * *

VETERANS WEEK

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, this week, Veterans Week, we stop to remember our fellow Canadians who so bravely fought and those who died to protect our freedom.

I participated in a remembrance ceremony a few Sundays ago, a day before the Quebec referendum. I thought of those Canadians who fought and died for our freedom and of what they might be thinking of Canada today, how they would still be very proud to be Canadians and how distressed they would feel at the plight of our unity given all that they had fought and died for.

Our contributions around the world have been highly commended, yet the cost of protecting democracy and peace has been very high.

Each of us has our own reasons for remembering. Only by remembering can we give meaning to the sacrifices that have been made. Only by remembering can we strive to maintain peace. Only by working together as a nation can we preserve the Canada that so many have fought and died to protect, a Canada that is envied the world over.

Let us not forget.

* * *

VETERANS WEEK

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, 77 years ago this weekend the first world war came to an end and Canadian veterans were able to come home.

Fifty years ago this summer, the second world war ended. Forty–one years ago, Canadians began to return from the Korean war. For the past 38 years, Canadians have served in UN peacekeeping missions from which they have returned to a grateful nation.

The week of November 4 to 12 has been proclaimed Veterans Week. This is an occasion for all Canadians to pay tribute to the courage and sacrifice of those who served their country.

It is time for us to listen to the stories of our veterans which they have to tell and to learn from their experiences. It is time for us to rededicate ourselves to the values of freedom and democracy our veterans fought to preserve.

Above all, it is an occasion to honour some very remarkable Canadians.

* * *

[*Translation*]

POVERTY

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, Quebec and Canada are living through hard times and face a growing problem of poverty. When the number of people on welfare is increasing to record highs, the population is entitled to expect energetic employment measures from the government.

The Canadian economy is faced with a major structural problem, one which requires immediate action from the government. Elected as it was on promises of job creation—job, jobs, jobs—this government has not shown any imaginative solutions except to centralize power in Ottawa and attack those who are already the worst off. The sole response the government offers is an empty legislative menu. Nothing for employment, nothing for social problems, nothing for the economy. Enough of this. The population demands that the government finally start governing.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

SPECIAL COMMITTEE ON CANADIAN UNITY

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, last Tuesday, the Minister of Intergovernmental Affairs referred to the cabinet's phoney committee as being essential to the survival of Canada. Yesterday, he was corrected by his colleague at the Department of Justice, who said: "We do not expect to find a formula to save the country".

Would the Minister of Intergovernmental Affairs agree that what his colleague at the Department of Justice said confirms that the sole purpose of the government's phoney committee is to play for time and that Quebecers, and Canadians as well, for that matter, have nothing to gain from this committee?

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, perhaps I may start by correcting the hon. member for Roberval. A phoney committee is like the regional political

commissions set up by the Parti Quebecois, where the members all belonged to the same party and the money of Quebecers was used to make partisan propaganda. They were definitely phoney.

We have set up a committee that will try to deal or suggest how to deal with the problems that exist in our country today. We all need this kind of committee.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs just scored in his own goal, as they say. A committee whose members all belong to the same political party, funded with taxpayers money and likely to accomplish nothing. That is the kind of committee he chairs.

But seriously, this morning in New Zealand, the Prime Minister said that his government's first priority was not to make changes for Quebecers but to create jobs. At the same time he said the cabinet committee did not intend to reopen the debate on the constitution.

Would the Minister of Intergovernmental Affairs, who yesterday said repeatedly during Question Period that the committee's mission was to save the country, agree that in the light of the correction made by his Prime Minister, Quebecers and Canadians should expect nothing either from him or his committee?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the official opposition is spouting nonsense about a committee that was set up to deal with the problems we have now in this country.

Prime Minister Chrétien made it quite clear that the important problems in this country today are economic problems, and he also said that the Parti Quebecois was wasting its time, after it lost the referendum, on reopening constitutional issues and refused to deal with the real problems, which are job creation and unemployment.

More than 60 per cent of Quebecers said in a recent poll that they wanted the Parti Quebecois and the Bloc Quebecois to take care of the economy and job creation and stop wasting their time, their money and their future on discussing a problem that has already been settled.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, in addition to being a poor hockey player, the minister does not know how to skate. Let me explain.

Yesterday, the minister said that the committee would be used to save the country from the separatists who wanted to break it up. That is what he said yesterday. Today, after the Prime Minister's correction, he tells us that his committee will look into creating jobs and promoting economic development.

Is the minister telling us that this government, which for more than two years has said it will deal with the country's real problems, is he telling us that they have no recipe and that it takes a committee to suggest how the Prime Minister can get the country out of this mess?

• (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, to continue in hockey parlance, the hon. member for Roberval lost by default because they decided to leave the game. They lost the referendum and, instead of tackling the real problems, they decided their only objective is to destroy Canada. All their energy is spent not on dealing with the economic and other problems of this country but on destroying the country. That is why they have nothing to offer in the way of real solutions we should be developing for the future of Quebec and Canada.

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

You will notice that it is after the Liberals were called to order by Pierre Elliott Trudeau that this panic–stricken government began to dilute its already vague promises of change to Quebecers and quickly set up a phoney committee which will prove useless.

Considering that the Minister of Justice said yesterday that the cabinet committee would not save Canada, and given that the Prime Minister said this morning that the committee does not intend to reopen the 1982 constitution, does the minister not realize that he will preside a phoney committee which will be useless in terms fulfilling the promises made by the Prime Minister regarding the constitution?

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 will repeat for the tenth time that the Prime Minister clearly indicated in his speeches that he was going to look after the issues of distinct society and right of veto. He asked a number of ministers to develop strategies, get a better understanding of the referendum results, and make appropriate changes for Quebec and Canada. This is what we are doing.

As regards Mr. Trudeau's comments, the hon. member should also remember that he clearly said that the Leader of the Opposition had make a mockery of the truth, to use a diplomatic expression. This is exactly what he said in his press conference.

The Speaker: Dear colleagues, we are now on thin ice. Therefore, I would ask hon. members to choose their words carefully.

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, given that his phoney committee was set up in a mad rush, that the names of its members were released only 24 hours later, and that each of its members seems to have a different opinion as to its mandate, will the minister admit that his phoney committee was only set up to buy time until Christmas, when the House will

recess and the Prime Minister will no longer have to answer embarrassing questions on the commitments he made during the referendum campaign?

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 see that the official opposition has now adopted the term "phoney". Its members are asking phoney questions.

They are obviously much more concerned about what goes on outside, than about the important issues discussed in this House. The important issue now is clearly to try to solve the problems as they exist. We are trying to do that by constitutional and others means.

* * *

[*English*]

CANADIAN UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the cabinet's national unity dream team is becoming a nightmare. Nobody knows who they are going to consult with, nobody knows when they are supposed to report, and worst of all, nobody has a clue what the committee is supposed to be doing.

The labour minister thinks they are going to be discussing constitutional change. The justice minister says they will be looking at Mulroney type constitutional talks, and the Prime Minister said the cabinet committee will not be delving into constitutional matters.

I ask the Minister of Intergovernmental Affairs, if he can hear me, does this committee have clear terms of reference from the Prime Minister and, if it does, will he table them in this 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, this committee has clear terms of reference. They will not be produced in the House because this is a task force which consists of ministers. Ad hoc committees normally have mandates and memberships that are kept confidential. They are kept confidential for one good reason: they are the means by which advice and recommendations are given to the Prime Minister. That has been the custom of cabinets throughout history.

The mandate of this committee is clear. We are going to look at the promises of the Prime Minister and how they can be implemented. That is clear. They were in the speech given by the Prime Minister. We know what they are. We are looking at non–constitutional means of improving the way in which the government operates. We have already done it through program review last year. A lot of measures were indicated in the budget.

The leader of the third party should acknowledge that the terms of reference and objectives are clear. The membership is known. We are trying at present to establish a proper diagnostic and to find the right means of solving the problems.

SUSPENSION OF SITTING

The Speaker: We seem to be having a small problem with the sound. We are going to interrupt question period. We will return after we find out what the problem is. We will still have 35 minutes of this question period.

(The sitting of the House was suspended at 2.27 p.m.)

SITTING RESUMED

The House resumed at 2.45 p.m.

The Speaker: Question period will continue until 3.21 p.m.

Because of the noise we could not hear too well, so I am going to permit the leader of the Reform Party to restate the question, hopefully without too much of a preamble, and we will take up from there.

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CANADIAN UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, before we were so rudely interrupted we were asking the Minister of Intergovernmental Affairs for the terms of reference of this cabinet unity committee.

It is simply unacceptable for the minister to plead cabinet secrecy or solidarity on releasing the terms of reference of a committee that is dealing with the whole subject of national unity.

I ask him again. Does this committee have clear terms of reference, and could he table those terms of reference 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, the answer to the first question is yes and to the second question is no.

The Speaker: We ought to have this kind of break every day.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I need to warm up.

Maybe we could look at the membership of this committee. The intergovernmental affairs minister has said that this committee has regional balance to ensure the views of all Canadians

will be represented. How is that possible when seven out of the nine committee members are from central Canada, when the west's only representative is a junior minister who won her seat by 11 votes and when British Columbia, the third most populous province in the country, is not even represented on the committee?

About the only positive thing that can be said about this committee is that the Deputy Prime Minister is not a member.

If this committee is supposed to effectively represent every region of the country, why does the west have only one seat and British Columbia no seat at all?

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 not the custom to comment on the membership of committees. In this case there is clearly a regional balance. Unless we split people in two we unfortunately cannot have a balance that corresponds exactly to the percentage of the population.

Also, when the member unfairly talks about the number of votes, we should all remember the Parti Quebecois was elected by barely three–quarters of one per cent of the popular vote. That means nothing. To repeat, in a democracy the people who have the most votes get the prize.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, could I put one simple question.

British Columbia is the most populous province in western Canada and the third most populous province in the country. It has a crucial role to play on this issue of national unity and it has a different perspective from many other provinces in the country.

Will the minister tell us why the province of British Columbia does not have representation on the cabinet national unity committee?

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 am afraid the question reveals a wrong understanding of the country and a wrong understanding of the parliamentary system.

• (1450)

In our parliamentary system, with representative democracy, people are elected to express their views and their feelings about national interests in the federal Parliament. This is exactly what exists.

The country is not homogeneous. People who come from Alberta are quite able to represent people who come from other areas of the country. They are not tied down to their part of the country.

It is quite improper for the leader of the third party to assume that members of the House are only representative of a small part of the country. No. They represent national interests.

* * *

[*Translation*]

THE CONSTITUTION

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, yesterday the Minister of Justice candidly admitted that constitutional problems and Quebec's place in Canada constituted new concerns for the government, after the Prime Minister had promised changes to Quebecers just days before the referendum.

In light of the Minister of Justice's statement yesterday, will the Minister of Intergovernmental Affairs admit that the federal strategy, which has consisted for two years now in denying the existence of a constitutional problem in the country, has failed miserably?

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, if in fact one looks at the past two years, it will be seen that the amount of popular support for the Liberal government in the first two years of our mandate has been higher than for any government since confederation.

So, clearly, we have had a level of popular support based on our accomplishments, because we have begun to address Canada's economic problems, while the Parti Quebecois and its little brother the Bloc Quebecois have not focussed their concerns on this in the least. That is what must be done.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, as usual, the Minister selects his examples and neglects to mention that if there is one place where the government has a fairly high unpopularity rating it is Quebec, totally the opposite of the other provinces.

By choosing the present member for St. Maurice as leader of their party in 1990, the Liberals thought they had solved the Quebec situation for once and for all.

Is the fact that this government convinced Canadians that there was no longer any constitutional problem not obvious proof that the Liberal government, before deceiving Quebec, deceived the rest of Canada?

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 Canadians, Quebecers included, want and what they have reaffirmed for Quebec in a recent survey, is that government focus on their economic problems.

The Liberal government, the government of Canada, has addressed these problems and cleaned its house in the last budget. I would strongly suggest to the opposition that it ensure that its big brother, the Parti Quebecois, does the same in Quebec because, like Canadians, Quebecers want their economic problems to be addressed, and the unemployment and employment problems in their province solved.

* * *

[*English*]

RWANDA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I was shocked to learn that the Belgian government wants to interview Canadian peacekeeping hero, Romeo D'Allaire, for his involvement in the death of 10 Belgian peacekeepers he was in charge of during the UN mission in Rwanda. UN Ambassador Bob Fowler has known about this for a week, yet Canadians have heard nothing.

My question is for the Deputy Prime Minister. Why has the Canadian government not said something about this and told the Canadian public about this very serious event?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think everyone in the House will agree with me when I say that Major General D'Allaire served the country with great distinction at a very difficult time in Rwanda.

As we saw with the events in Somalia a few years ago, it is quite possible for certain allegations to be made about an individual's conduct from time to time. In this case, as with that case, I think it is best that we look at the facts and see exactly what those charges are before we jump to any conclusions.

• (1455)

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, that is a very difficult answer to accept, considering the seriousness of the event.

Let us remember that former prime minister Kim Campbell has said that Mr. Fowler tended to downplay events during the Somalia affair. Is it possible that the government was not fully briefed by the UN ambassador about the seriousness of these charges?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member talks about charges as if these were matters that were laid in some court.

I understand there were certain allegations made in some quarters by one of our allies as a result of certain activities in Rwanda. We are looking into those allegations.

[*Translation*]

PURCHASE OF HELICOPTERS

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is for the defence minister.

Yesterday, the Liberal government announced that a new contract for the purchase of new search and rescue helicopters will soon be awarded, to replace part of the previous EH–101 contract that the Liberal Party cancelled as soon as it took office.

Since the government has yet to reach an agreement over the penalties following the cancellation of the EH–101 helicopters contract with the Agusta, why has it not excluded this company from the bidding process?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the discussions with respect to compensation are being conducted by my colleague, the minister of government services. He may wish to comment further if the hon. gentleman wishes any information on that score.

I announced yesterday that we were to send out a solicitation of interest and then call for proposals from private industry to acquire up to 15 search and rescue helicopters. That process is not incompatible with the process now being conducted by my colleague, the minister of government services.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, since the Liberals condemned Agusta when the first contract was signed and requested an inquiry into this whole matter, how can the minister of defence explain that he has not deemed it appropriate to completely exclude Agusta from the new bidding process?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is another attempt at revisionism in history.

In the 1993 election campaign the Liberal Party campaigned against the acquisition of the EH–101 helicopter because we felt that deal was too rich for the pocketbooks of Canadian taxpayers. Upon a subsequent examination once we came into office we had those original feelings confirmed. It is for that reason that we have decided to proceed with the search and rescue helicopters.

We have decided to have an open competition, which will allow any bidder who has the particular equipment and can meet the specifications to have an opportunity to take part in this initiative.

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NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, yesterday I raised two incidents of alleged misconduct and cover–up by the senior management team surrounding the Minister of National Defence.

Today I want to ask the minister about his policy on significant incident reports. I have learned from the information commissioner that these reports are now only retained for six months and then they are destroyed. Significant incident reports are the documents the Somalia inquiry is based on.

Why has the minister changed the policy in order to have these reports destroyed after only six months?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, once again there is a distortion of the facts.

We have been working with the information commissioner with respect to providing the documents that have been requested under access to information. It is very onerous for us right now because of the Somalia inquiry and all the attendant curiosity that has gone on. We are working with the information commissioner. I believe the information commissioner will agree that we are certainly trying to meet the expectations he has and conform to the law.

With respect to the matter the hon. member raised referring to allegations he made yesterday against two top general officers, I wish to tell him that Lieutenant–General Boyle, who he named on the floor of the House, has served notice in writing to the Canadian Broadcasting Corporation of his intent to seek legal opinion and perhaps proceed in action against the CBC if there is no retraction on that story.

• (1500)

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, again the minister did not answer the question I posed.

Does the minister realize the destruction of significant incident reports after six months could prevent situations like the Somali affair from ever becoming public?

What will the minister do to the correct the problem?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, once again the hon. member is attacking procedures in the Department of National Defence. In many cases the attacks are without much information. He attacks members of the armed forces of various ranks. He attacks the military police and their ability to do their jobs. He attacks general officers as he did in the House yesterday.

I would like to know from his leader, the hon. member for Calgary Southwest, how the member from the Reform Party, the opposition critic, can go outside the House and malign 87 general officers by calling them bandits, which means they have committed criminal offences, and sit in the House as a critic for the Reform Party.

[*Translation*]

PURCHASE OF HELICOPTERS

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the defence minister.

Despite serious accusations of corruption made against the Agusta company in Europe and despite several requests for an inquiry made by the Minister of Human Resources Development when he was in opposition, the government continues to negotiate with the Italian firm the settlement of penalties totalling hundreds of millions of dollars for breach of contract with respect to the EH–101.

Could the fact that the government refuses to dismiss Agusta mean that it intends to award the contract for 15 new helicopters to this company instead of paying these penalties totalling hundreds of millions of dollars? Is the defence minister preparing a sweet deal?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member is making reference to a contract the Government of Canada cancelled shortly after taking office.

I remind the hon. member as well as others that we successfully concluded the termination costs with Loral, thereby resolving that matter with that contractor.

Negotiations have proceeded with the EH–101. I am happy to report that after some very diligent, vigorous work by my deputy minister and senior assistant deputy minister an agreement in principle has been reached. I would like to provide all details to the House, which I will in several months. At that time members of the House, in particular the critics, will then have an opportunity to see whether the Government of Canada has done its job effectively in meeting the termination costs with that company.

[*Translation*]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, as a supplementary, I would like to ask the minister if he intends to make public this agreement in principle as soon as possible.

Knowing that the former NATO secretary general, Willy Claes, was forced to resign from his position after being accused of accepting bribes from the Italian firm Agusta when Belgium purchased EH–101s, how can the government insist on dealing with a company whose selling methods are suspicious to say the least? In talking to the media yesterday, the minister himself mentioned Boeing, Bell, Sikorsky, Eurocopter and Agusta–Westland as possible suppliers for this contract.

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the similarities between the Minister of National Defence and me are rather apparent.

The hon. member must realize there is such a thing as confidentiality between the contractor, who has a variety of subcontractors, and the government of Canada.

• (1505)

Negotiations have been ongoing for close to two years. They have been vigorous, they have been enthusiastic and at times they have been extremely difficult. We have now reached an agreement in principle. I will be happy to provide all of the details to the House at the most opportune time.

On the grounds of confidentiality, until certain matters have come to a final conclusion, I am precluded by law, by the contract and the agreement in principle to provide that information today. However, I hope I can provide it as soon as humanly possible.

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DISASTER ASSISTANCE

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, last spring many communities in western Manitoba received a significant amount of damage due to flooding. People are concerned about receiving and recovering the appropriate costs resulting from the damage.

Could the minister responsible for emergency preparedness please explain how the disaster assistance agreement between the federal and provincial governments will help these people?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the disaster and financial assistance agreements were established so that provincial and territorial governments could receive assistance in the case of natural disasters.

In the case of the Manitoba flooding this spring, the normal rules were put in place and the procedures followed. Similar things have happened in Saskatchewan recently.

I understand the minister responsible in the Manitoba government has been saying that for some reason the federal government has been changing the rules and regulations and that somehow the people of Manitoba have been deprived of their rightful share under these programs. That is totally and absolutely false.

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the Quebec health minister today made an ominous announcement: seven hospitals in Montreal will be closing.

While our Minister of Health fools around with her pet national forum on health, thousands of Canadians will suffer. Will the minister admit health care reform in Canada is long overdue?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, it is acknowledged the health care system must change. All provinces are bringing about a number of changes because the way we practise health care has changed. There are new technologies. The hon. member knows that.

The minister of health for Quebec is doing the same things others have done across the country; that is, ensuring that the dollars spent on health care go to the new technologies, to the new ways of doing things.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the federal minister has solutions. There is a very innovative neuromuscular clinic in the riding of York Centre, the Magee clinic. The minister will shut it down. Has she warned her colleagues from the Toronto area to expect the irate phone calls from their constituents?

As she penalizes, punishes and pushes out innovation, will she explain that to her colleagues?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I would think that after two years in the House the hon. member would understand the jurisdictions within health and that the actual management of the health care system is at the provincial level. That is part of the flexibility of the Canada Health Act. The provinces manage the health care system.

The federal government has the Canada Health Act, which imposes the five principles which are tied to the transfer of moneys. That is what is happening.

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[*Translation*]

HELICOPTER PURCHASE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of National Defence.

The persistent refusal of the minister to exclude Agusta from the bidding process for new helicopters is particularly hard to understand, because the man sitting on the minister's left, the current Minister of Human Resources Development, asked for a judicial inquiry when the Conservative government signed the first contract with that firm.

• (1510)

Can the minister tell the House whether his unacceptable refusal to exclude Agusta from the bidding process is linked to pressures brought to bear on the government by Agusta's lobbyists, namely Daniel Despins, a former director of communications for the Liberal Party of Canada, and James Pacey, a former special adviser to Pierre Elliott Trudeau?

The Speaker: Colleagues, sometimes, questions as worded are not too—I would like to ask you, when you put questions like that—

[*English*]

—you cannot impute motive in any way. I caution the hon. member for Berthier—Montcalm. I will permit the hon. minister of public works to answer the question.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I do not agree with the preamble of the hon. member's questions. His allegations contained in the body of his questions are absolutely false.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): I did not think mentioning Pierre Elliott Trudeau was a crime, Mr. Speaker.

Here is my supplementary. In view of the cloud of suspicion hanging over Agusta and the charges of bribery that have been laid against that firm in Belgium, would it not be wise for the minister, before going any further, to set up the inquiry requested by his colleague the Minister of Human Resources Development on April 13, 1993?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member just does not get it. The contract he refers to was cancelled by the government upon coming into office.

As a result, we have entered negotiations with the two main contractors for termination costs. We have been successful with the first one. We have come to an agreement in principle with regard to the second one. I hope to be able to provide all of the details so the hon. member once and for all will be able to understand that these kinds of allegations and this kind of mud he has been playing in for quite some time are utterly false, just like the allegations he makes here again today.

SYDNEY TAR PONDS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the worst environmental disaster in Canada still festers in the backyard of the minister of public works in Sydney, Nova Scotia.

In February the environment minister mimicked her boss by saying don't worry, be happy, the Sydney tar ponds PCB clean–up is proceeding. It is not; it is broke.

Will the environment minister commit to a federal inquiry to determine why $55 million was wasted over 10 years with no results, who was responsible, how long the people of Sydney have to live near this sewer and who got rich during the deal?

The Speaker: Usually we have a question and we may tack on a partial question, but four is going a bit out of the way. Would the hon. minister address the first two questions.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I do not accept in any way the premises, insinuations or innuendoes of any part of the hon. member's questions.

On behalf of the Minister of the Environment, I will take those parts of the question that are in order as notice and endeavour to get the hon. member an answer as quickly as possible.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, that is sort of what we heard last February. They are not misleading premises, they are fact.

The environment minister has done absolutely nothing for the environment in the two years since she has been in the portfolio. What we have here is yet another dredging scandal, only this time it is in Sydney, Nova Scotia, not in Hamilton harbour, and we have a city with the highest cancer rate in the North America.

I would like to ask the Minister of the Environment will there be any further federal involvement into this disaster, or will the people of Sydney, Nova Scotia be involved in future discussions related to the clean–up of the tar ponds?

This is not about patronage, so I ask the Minister of the Environment, not the minister of public works.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member from time to time has shown that the link between himself and facts is sometimes tenuous.

• (1515)

Having said that, I realize the concerns of people in that community about a safe environment are important. They are important to the government and to the members of Parliament

from that area. Therefore, I will take the question as notice and provide a full answer as quickly as possible.

* * *

MEDICARE

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, my question is for the Minister of Health.

Albertans are increasingly anxious about the erosion of medicare, resulting from the proliferation of private clinics in Alberta charging facility fees for medically insured services.

Can the minister assure Albertans that medicare will be protected from attempts to create a two–tier system where access and quality of service are based on the amount of cash in one's wallet?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I am sure members of the House, on both sides, will be happy to know that I met with the minister of health for Alberta on Monday in Winnipeg in order to discuss ways to eliminate facility fees that were being charged for medically necessary services in private clinics.

The minister of health for Alberta gave me her personal assurances that Alberta would be eliminating facility fees in private clinics. I applaud the minister of health for her initiative.

Until that time, we will be deducting approximately $420,000 a month from transfers to the province of Alberta.

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[*Translation*]

PURCHASE OF HELICOPTERS

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the minister of defence.

Yesterday, the federal government announced a competition for the acquisition of 15 rescue helicopters, with no Canadian content requirement in the specifications. Considering that the Canadian aerospace industry is concentrated in the Montreal area, how can the minister justify this change of heart on the part of the federal government, given that, two months ago, he awarded without tender a $2 billion contract for armoured personnel carriers to Ontario but that he is now taking a different approach for the helicopter contract?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I find it quite interesting that Bloc members condemn the government for yesterday's announcement to buy search and rescue helicopters, while many critics, analysts and others in Quebec actually congratulated us for it.

Just this morning, I read the following in *Le Devoir*: "Yesterday's announcement is good news. As for the price of the helicopters, it should not exceed $40 million per aircraft, three times less than the EH–101".

[*English*]

That is on the one hand. On the second point that the hon. member raised with respect to why there was a sole source contract for the armoured personnel carriers and a competition on this equipment, we have in Canada, with General Motors' diesel division in London, the only Canadian manufacturer. It is well known. It has a worldwide product mandate for the making of armoured vehicles. It was quite logical to have the contract awarded and negotiated with that company. Many companies in Quebec will benefit because many of the suppliers are located in the province of Quebec.

When it comes to the helicopters, we do not have that same kind of capability, although there may be some offshoots for various companies that may compete. Therefore, it makes sense to get the best deal by having an open competition and invite people from around the world to bid.

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SOCIAL PROGRAMS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the recent welfare war between British Columbia and the federal government suggests that the minister and the government have no vision for federalism, certainly not a new one.

The issue is not whether B.C. or the government is right but that provinces should have the authority to make their own decisions in areas of provincial jurisdiction.

When will the government get off B.C.'s back and begin co–operative work with all provinces to give them exclusive powers in jurisdictions that are constitutionally theirs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is evident that the hon. member has not been following in a careful way what has been developing over the last several months.

As a consequence of the announcement of a new transfer program to the provinces, which will give them far more flexibility, the provincial premiers last summer set up the Council of Social Service Ministers to begin developing a common provincial approach. Once that was completed they would then sit down with us and undertake the negotiations. We welcomed that initiative. We thought it was a very positive way to proceed.

• (1520)

Unfortunately the British Columbia government sort of skipped out on that process, short–circuited it and decided

unilaterally to do something different without consulting their provincial colleagues, without staying within the process and therefore has created a problem.

As I said before, the law is the law. I find it exceedingly strange that when members of the Reform Party are constantly demanding in this House that we ensure that individuals live up to the spirit and the letter of the law, they do not want a province to live up to the spirit and letter of the law.

* * *

EDUCATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development.

StatsCanada has recently confirmed that young Canadians with lower educational qualifications have suffered very badly in the job market over the last five years. The statistics confirm that without a post–secondary education the doors for employment have been slammed shut for young Canadians. We know that education is the pathway to the future for young people, yet the government has been cutting billions of dollars from transfers to post–secondary education to the provinces.

How can the minister justify these cuts to the tens of thousands of young Canadians who are seeing their opportunities choked off by the government's actions?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I would like to answer in two specific ways.

First, this summer we introduced a brand new student financial assistance program that substantially refinanced the ability of young people to go back to school. For the first time ever we introduced a major grant program that would allow young people with high income needs, such as disabled students and women going to graduate school, to get specific direct grants. It is the first time the federal government has ever offered that kind of assistance.

Second, this year we introduced a youth internship program. By working with the private sector, it allows young people to work half time in the business workplace environment and half time to go to school. We have signed agreements with a number of human resource sector councils in the private sector.

This year alone up to 25,000 young people will be enrolled in that program, showing how successful it is to be able to get the private sector to work with us in partnership in helping young people.

PRESENCE IN GALLERY

The Speaker: My colleagues, this is a rather special day for the House because we have special guests in not only the Speaker's gallery but also in the opposition gallery.

[*Translation*]

Fifty years ago today, Canada became a member of the United Nations. On this occasion, I would like to salute the Canadian men and women who personify our commitment to the UN.

[*English*]

Seated in the gallery today are peacekeepers of the Canadian Armed Forces and Mounted Police who have served in Cyprus, Egypt, El Salvador, Haiti, the Golan Heights, Kuwait, Mozambique, Namibia, Rwanda and the former Yugoslavia.

These men and women represent the 100,000 Canadians who have served in peacekeeping missions since Parliament ratified the United Nations charter. They are in our galleries to my left and they are joined today with their spouses.

Today this House, the representatives of the people of Canada, salute our peacekeepers, nos Casques bleus, past and present on behalf of all Canadians.

Some hon. members: Hear, hear.

The Speaker: My colleagues, I hope you will take a few minutes to receive the members of our peacekeeping forces, all three forces and the Royal Canadian Mounted Police, at a very small reception which will be held in room 216–N immediately after question period.

* * *

• (1525)

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): As you might suspect, Mr. Speaker, as we usually do on Thursday, I want to ask my hon. colleague, the Leader of the Government in the House of Commons, to give us the agenda for the next few days.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to provide the weekly business statement.

We will continue today, tomorrow and on November 20 with the second reading debate of Bill C–96, on the human resources development departmental reorganization. This will be followed by report stage and third reading of Bill C–83, respecting the environmental auditor general.

The business of the House would then be called in the following order: Bill C–78, Bill C–52 and Bill C–58.

Finally, I would like to designate November 21 and November 22 as opposition days.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I have two questions for the House leader of the government.

First, could the hon. House leader indicate whether the government intends to introduce any substantial legislation into the House between now and December 15, if the House continues in operation?

Second, could the hon. House leader indicate whether the very important reports that have been promised regarding old age assistance, Canada pension plan, unemployment insurance are going to be tabled in the House? Will the paper on aging come to the House? Will a position be presented on the GST? That was promised at least two years ago.

Finally, would the hon.—

Mr. Robichaud: Order.

The Speaker: We allow these interventions if they are short questions. I would appeal to all hon. members, should there be any more interventions like this, that the questions be very precise and as short as possible.

I will permit the hon. House leader to answer.

Mr. Gray: Mr. Speaker, with respect to the second part of the hon. member's question, the material on the subjects he has mentioned will be brought forward in due course in a way that is consistent with the red book, the throne speech and the budgets of the government.

With respect to the first part of the hon. member's question, the answer is definitely yes.

The Speaker: I would encourage the hon. House leader of the Reform Party to perhaps have a meeting with the hon. House leader of the government.

Mr. Boudria: Mr. Speaker, I rise on a point of order. It was our understanding there was to be a statement made at this time in reference to Armistice Day. I believe if you were to seek it you would find that was the agreement of the House.

If such is the case perhaps we could proceed with that prior to going to Government Orders.

The Acting Speaker (Mr. Kilger): As I understand it, the chief government whip is correct. We will proceed beginning with the hon. Minister of Veterans Affairs.

* * *

• (1530)

REMEMBRANCE DAY

Remembrance Day

Hon. Lawrence MacAulay (Secretary of State (Veterans), Lib.): Mr. Speaker, I rise today to pay tribute to those Canadians who gave their lives for freedom and democracy in serving their country in two world wars, the Korean war and in peacekeeping missions.

On Saturday in ceremonies across the country and in cemeteries around the world where soldiers rest in peace, Canadians will pay tribute to our war dead. This has been a cherished tradition on November 11 ever since the end of the first world war on that date in 1918.

Through the course of this century Canadians have responded to the call of duty again and again. They have shown their strength, courage and conviction in defence of democracy and in the interest of peace. As the years pass and the veterans of these earlier wars age and pass away, it is up to each new generation of Canadians to continue the memory of their sacrifice and courage.

It is up to each new generation of young Canadians to reflect that the men and women who gave their lives were young themselves. They fought for liberty with the strength and idealism of their youth. Many others sacrificed their youth in the terrible ordeal of war.

The Prime Minister has declared November 4 to 12 veterans week. We have used this week as an occasion to honour those who made the ultimate sacrifice and those men and women who came back from the war and kept on contributing to Canada.

These veterans come from all regions of Canada. They serve their country with pride and distinction. They left behind in the cemeteries of Europe, Southeast Asia, North Africa and the Pacific comrades who died for their country without a thought of whether they come from the east or the west or whether they fought for this province or that. They fought and died for Canadians. All Canadians in every province share the legacy of peace and freedom they left for us.

On Saturday the country will unite to remember her war dead. Let every Canadian remember and cherish the memories of those who have sacrificed so much. Let us put aside our partisan differences and our conflicting visions of tomorrow. Let us pay tribute to those who gave us the freedom we have to choose our destiny, the freedom we share with Canadians.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, on behalf of the Bloc Quebecois, which forms the official opposition in this House, I am pleased to rise this afternoon in honour of Remembrance Day. Tradition dictates that, every November 11, we take a few moments to remember those who have served in the two world wars and in the Korean war.

Of course, we must also remember those who served in the numerous UN peacekeeping missions. Remembrance Day is especially significant this year since last spring marked the 50th anniversary of the end of World War II. Today, we want to thank all those who served at the front, the sailors and airmen and women from all regions of Canada, the members of the merchant

navy, the nurses, and all the men and women who risked or gave their lives to overcome tyranny.

We must never forget that over 100,000 young Canadians and Quebecers lost their lives in the two major global conflicts, while hundreds of others died in Korea and in various peacekeeping missions. Unfortunately, many bloody conflicts are still raging throughout the world. Let us think about all those who are responsible for keeping the peace in the world, in particular the Canadian peacekeepers.

• (1535)

One of the main roles of the Canadian Forces at the international level is to participate in peacekeeping operations. This is an invaluable asset and international achievement for Canada.

On behalf of all Bloc members, I wish to congratulate all members of the various Legion branches. We sincerely thank them for honouring the memory of the young Canadians and Quebecers who left everything behind and went overseas to fight for peace and freedom.

Today we remember the selfless sacrifices made by those to whom we owe this legacy of freedom and democracy.

The heavy human casualties and the great suffering of all those affected by these endless wars are beyond comprehension.

As the Leader of the Official Opposition said in marking the 50th anniversary of the end of the second world war, who can describe the terrible pain of the mothers and fathers whose son was killed in the prime of his life? And what about the widows and orphans, the brothers and sisters forever deprived of a loved one who left one day for a faraway country to meet his destiny as a sacrificed hero?

Like those who gave their lives, all these brave people also fought so that there would be no more wars and that future generations would be spared the attendant atrocities, suffering and upheaval.

This was, however, the price we had to pay for our commitment to peace and democracy. It is precisely because our young soldiers shared these values that they felt compelled to defend them overseas.

We must therefore sincerely thank again all those who died and, of course, all those who survived these tragedies.

Let us pay them a vibrant tribute and honour their memory.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I rise to remember and pay tribute to those brave Canadians who served their country and those who lost their lives or suffered injuries or loss in the terrible wars of this century. On behalf of our party, our constituencies, our constituents and all Canadians who remember, we offer our profound respect and deepest thanks.

[*Translation*]

That reminds me that there are no French Canadians or English Canadians in cemeteries in Europe, only Canadians. I pray that this fact unites us in peacetime as in wartime.

[*English*]

At the same time we remember and pay tribute to the current members of our armed forces, many of whom have served or are serving as peacekeepers in the troubled places of the world. Again on behalf of our constituents and on behalf of all Canadians who cherish peace, we offer our profound respect and our deepest thanks.

November 11 is called Remembrance Day. Our children rightly ask what precisely it is we are asked to remember. If we ask the living, the loved ones and friends of those who served and fell in the wars, they will say we remember our loved ones and friends who gave their lives for freedom and democracy, and they will be right. However, if we could ask those who served and fell what they would like us to remember, I believe they would tell us to remember the great lesson their loss teaches us: that freedom and democracy cannot be preserved without self–sacrifice.

If each of us every day, year after year, makes the small sacrifices of time, energy and self–interest necessary to preserve our freedoms, that is enough. But if we neglect to make those small daily sacrifices then someday, somewhere down the road, a vast multitude of people like those we honour on Remembrance Day must make the ultimate sacrifice on our behalf.

• (1540)

Today I say let us make our tributes and on November 11 let us lay our wreaths. But, above all, each day after that let us practise the great lesson that freedom and democracy cannot be preserved without self–sacrifice on our part. Such practice would be the highest tribute we could pay to those who fought and fell as well as to those who stand on guard for Canada today.

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, it is an honour for me to join my colleagues on behalf of the New Democratic Party in remembering those who died and suffered during the past great wars. This year marks the 50th anniversary of the end of the last great war, both in Europe and Southeast Asia.

It is also a personal gratitude that I have the great honour to express today in the House to the Parliament of Canada. Coming from Holland, where many of my relatives had part in the

resistance against the fascism that swept through Europe, on their behalf and on behalf of my former countrymen in the Netherlands I wish to express our great gratitude and appreciation to those young Canadian men and women who liberated us from the shadow of fascism.

Having been born in the Dutch East Indies and a few months after my birth being incarcerated in a Japanese prisoner of war camp with my mother and my older brother, and my father eventually being taken a prisoner of war and incarcerated in a prisoner of war camp in Japan, I wish to express my personal gratitude to those men and women of the allied forces who liberated us. If it were not for them I would not be alive today. It is a very personal matter for me to stand in the House and express our deepest gratitude to those men and women who sacrificed their lives to save others.

As we remember them, let us also remember why the young Canadian men and women went forward in their great act of sacrifice. It was to preserve democracy and freedom as we know them. It was to fight against the intolerance that had swept through Europe and Asia at the time. As we remember their deeds, it is important for us to also reaffirm ourselves to the ideals of democracy, freedom and tolerance. Without tolerance, democracy and freedom cannot exist.

As we live through today's age of rapid social and technological changes, which create psychological insecurities, the ugly head of intolerance rises now and then. As we remember the dead, let us also remember the great purpose of freedom, democracy and tolerance.

On behalf of my colleagues, myself, my family and the people of the Netherlands, I thank those great Canadian men and women who did so much.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise today to pay tribute to the many Canadians who sacrificed so much for the peace and freedom we all enjoy today.

The first world war ended at 11 a.m. on November 11, 1918. We reflect each Remembrance Day on that time and on that date. World War I left close to 70,000 Canadians dead and almost twice as many wounded. The second world war took the lives of 45,000 Canadians. Canadians also gave their lives during the Korean war and our armed forces answered when the United Nations called for action to put an end to Iraq's aggression against Kuwait. Canadians have never backed down or run away in the face of such aggression. Our troops have put their lives on the line when international peace and security has been at risk.

• (1545)

I, like my colleague of the New Democratic Party, am personally aware of World War II because I had two brothers who served in Holland.

As a child at that time I remember how we used to work and save our pennies to buy Canadian stamps, how we used to take our toothpaste tubes to school. Some of the boys used to bring their little metal toys and turn them in. All of us have memories, but I have happy memories because my brothers returned home safe and sound.

Canadians know that to ensure world peace the laws that govern relationships among nations must be respected and enforced. That is why we have almost 2,000 members of the Canadian military serving throughout the world in peace and humanitarian operations.

This year we commemorate the fiftieth anniversary of the end of the second world war and on Remembrance Day and this Veterans' Week let us commit, each and every one of us, to honouring those who risked so much on our behalf through concrete action. In Holland during VE Day celebrations Canadian veterans were treated like royalty for their role in the liberation of that country.

Here at home we must continue to remember and show our gratitude to those who risked everything so that we would have the country we have today with our rights and freedoms. That is why we have to protect the programs vital to the well–being of so many veterans.

Today I say thank you to those who fought for the freedoms we enjoy. I say thank you to those who continue to wear the uniform of Canada for their extraordinary service to all of us.

Let us not forget the price that has been paid so that we could live in peace, individually and collectively. Let us be vigilant about maintaining that peace.

[*Translation*]

The Acting Speaker (Mr. Kilger): We now resume debate on Bill C–96. The hon. member for Lévis still has four minutes in his statement, which will be followed by a period of questions and comments.

Mr. Boudria: Once again, Mr. Speaker, I thought there had been discussions among the parties so that this period of comments would be followed by a moment of silence. I am informed, at least, that it was the case in past years, and I had thought that these discussions had taken place today as well.

The Acting Speaker (Mr. Kilger): I must admit that I am not aware of the discussions, but I still believe that since Remembrance Day is coming soon, on Saturday, November 11, it would be quite appropriate to stand up and have a moment of silence.

[*English*]

I ask you all to rise for a minute of silence.

[*Editor's Note: The House stood in silence.*]

GOVERNMENT ORDERS

• (1550)

[*Translation*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee.

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, as you indicated earlier, I was not completely done with my remarks on Bill C–96. I would like to use the three or four minutes remaining to raise two major points.

I heard comments the minister and the hon. member for St. Boniface made to the effect that the official opposition was worrying for nothing, that it need not worry about clause 20 because, even though the minister was giving himself greater powers—these are certainly not duties or functions; we are talking mostly about powers here—he did not intend to encroach on provincial powers or responsibilities.

My father used to say: "To predict the future or to know how someone will perform in the future, just look at their performance for the past few months or years".

The Minister of Human Resources Development has been in office for two years now and we can clearly see two things. There are many things, but I will focus on these two. First, we will recall that among the many budgetary provisions contained in Bill C–17, there was one concerning cuts to the unemployment insurance program, which I would briefly summarize as follows: longer qualifying period, lower amounts and shorter benefit period. Let us bear this in mind.

The impact of these provisions was felt throughout Canada, but since I am from Quebec, let me point out that the labour minister mentioned again just recently how many more Quebecers were forced on welfare as a result.

The minister, in his speech this morning, spoke about young people, and said that, all things considered, there were not that many more unemployed young people. That is true, but in Quebec, at least, there are many more people on welfare, including young people. It think that has to be pointed out.

Furthermore, as the training and youth critic for my party, I would like to remind the House of what we heard in committee, which was that, in Bill C–28, the minister and the parliamentary secretary were giving themselves the right to designate the appropriate authority, when the previous act gave that right to the governor in council, meaning the provincial governments. Why? Because, in the Constitution, this is an area of exclusive provincial jurisdiction.

Moreover, in section 14(7), the minister dealt with the opting–out privilege which the government of Quebec has always requested and which it was able to use, but now there were some new conditions. Now, each element of the student financial assistance program had to meet the requirements of the federal government's financial assistance program. The minister was giving himself the right to determine how similar the two programs were. I just wanted to remind the House of all of this before concluding my remarks.

And finally, I want to thank the hon. member for Mercier, who is sitting right behind me, for her excellent work as deputy chairperson of the human resources development committee. As the official opposition critic, she spoke today more specifically to the people of Quebec, asking them to watch out, because Prime Minister Jean Chrétien was about to make them face the music, as he promised to do in answer to a question put to him in the House not so long ago.

The Acting Speaker (Mr. Kilger): Before the question and comment period, I would like to remind all members that they cannot refer to hon. members by their names, but that they have to use the name of their ridings or their title. I know it is sometimes easy to forget, but I wanted to remind the House because this is an important point within our parliamentary rules.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, as always when the hon. member speaks I pay a great deal of attention.

• (1555)

I have had the pleasure to work with the hon. member on the human resources committee and so I clearly understand the philosophical disposition he has toward matters related to human resources development.

I find it quite ironic that the Bloc Quebecois would accuse the federal government of engaging in an exercise of political power grabbing when in this piece of legislation we are trying to empower not only the federal government but provincial partners and local stakeholders to give us an opportunity to better serve the people of Canada, whether they are in la belle province de Québec or outside.

I also bring to the hon. member's attention that we as a federal government have a role to play in matters he outlined during his speech. One is the Unemployment Insurance Act which dates back to 1941 and gives a role to the federal government to engage in a process whereby we will give income support to the people of Canada and also a set of tools so they can re–enter the workforce.

I have a different view of what is going on in the relationship between the federal government, provincial governments and local communities. Over the years we have demonstrated that as a federal government we engage very much in co–operative, flexible federalism—

Some hon. members: Oh, oh.

Mr. Bevilacqua: I hear some rumbling on the Reform Party side which is quite obvious. It has nothing to say and so it just moans and groans.

Despite the differences that exist, some of them political in nature, some philosophical, we have engaged in many innovative partnerships between Human Resources Development Canada and Quebec agencies. HRDC, Human Resources Development Canada—I am talking to the Reform Party so it gets its acronyms right—in partnerships with two Quebec government departments is supporting job search training for youth through le Relais des jeunes adultes du Sud–Ouest de Montréal; 65 per cent of the participants so far have found work.

In partnership with the Societé québécoise de développement de la main–d'oeuvre HRDC provides financial assistance to help new entrepreneurs to get into business through la Société d'aide au développement des collectivités de Sorel–Tracy Inc.

In partnership with SQDM, HRDC helped workers affected by a Hyundai plant closing in Bromont last March; 80 per cent of those workers found work or took further vocational training.

The CEC and la Société du développement économique de Jonquière have established a partnership to compile and share labour market information.

There is a single window service joining HRDC, le commissaire industriel and l'Office de tourisme in Témiscamingue to deliver services in industrial, rural and tourism development. The list is absolutely endless.

I tell the hon. member in a very clear and concise manner that Canada works. Does it work perfectly? No. Can it use some improvements? Of course. We can achieve positive change in federal, provincial and community relationships as we redefine. This is a very important exercise in the redefinition of the relationship between the individual, the community and the state.

It is within this framework that we must continue to work together to achieve those positive ends that will facilitate the process of getting people off unemployment rolls and on to payrolls.

I know the hon. member shares this vision because he, like me, wants to get people off welfare, off unemployment and into safe, secure jobs.

• (1600)

[*Translation*]

Mr. Dubé: Mr. Speaker, I can see the hon. parliamentary secretary is more skilful with comments than with questions. But he did ask a question, and he said in his preamble that we seem to have a different perception of the facts, and I agree.

He is quite right, his point of view and mine are quite different. In my opinion, decentralization means that, in areas under provincial jurisdiction, the federal government should enter into agreements with the provinces. But they think decentralization means that Ottawa rakes in the money through the UI plan. Incidentally, the federal government has not put any money into the UI fund since 1991, but it is keeping control of the fund and goes so far as to imply that it is being generous, when in fact that money comes from the employees and the employers of Canada, including Quebec.

The parliamentary secretary should know that the federal government got involved in the UI fund through a constitutional agreement and then with the approval of the provinces. It was aware at the time that this is an area under provincial jurisdiction. That agreement allowed the federal government to establish the unemployment insurance commission.

Now, because the federal government manages the UI fund, it is using the power of money to do things, and it made a string of announcements. There may be one he does not know. One week after the referendum, the hon. member for Beauce made an announcement concerning the Minister of Human Resources Development. As you know, cuts in the employment centres had been announced right and left. The employment centre located in the riding of the hon. member for Beauce was going to be transferred to the neighbouring Frontenac riding.

The hon. member for Beauce made representations, obviously accepted to chair the no committee and announced, one week after the referendum, that the Minister of Human Resources Development had agreed to keep a number of employees in the Beauce constituency rather than transferring them all as previously expected. Furthermore, there would be a special project in this constituency. Within this kind of decentralization, an independent member—instead of a province—would be able to create a consultation or support centre to help industries train their own employees. We, the official opposition, are against this kind of decentralization.

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I appreciated my hon. colleague's comments on this very important topic.

I note with interest the comments of the parliamentary secretary that Canada works, that his government has been bringing forward a flexible and co–operative approach and therefore he does not understand what the problem would be. I can tell him the problem is that his government is not flexible and has not been very co–operative with the provinces. That is the big reason we have the problems in Canada today.

It is interesting to note that this afternoon during question period, the hon. Minister of Health indicated how co–operative she is. She got up and bragged that she is going to be penalizing Alberta to the extent of over $400,000 a month in cutbacks in the transfer payments. That is how co–operative the government is with the provinces. Is it any wonder we have problems with the province of Quebec as well.

It is very interesting to note that the Reform Party on the other hand has put forward a positive agenda for change and has devolved manpower training to the provinces. That is what we look to for innovative ways to make Confederation work.

Perhaps the hon. member would care to comment on what his experience has been in how co–operative the Liberal government has been over the past two years. Is there further merit in the devolution of powers to the provinces if we are going to make Confederation work?

The Acting Speaker (Mr. Kilger): Let me remind everyone that the 10–minute question and comment period has almost lapsed. The response should be in 60 seconds or less.

• (1605)

[*Translation*]

Mr. Dubé: Mr. Speaker, I would simply like to say that I listened with great interest to the remarks made by my colleague from the Reform Party. It makes me realize that, even though the members opposite, on the government side, would have us believe that they only have problems with Quebec, they do have problems elsewhere as well.

Now, regarding Quebec's position, it is quite clear. In a resolution adopted unanimously by the National Assembly under the Liberal government of Mr. Daniel Johnson, chairman of the no committee, Quebec has stated that it wants to be given exclusive jurisdiction over manpower, for example, as well as tax points equivalent to what the federal government is spending in this area at the present time in this province.

Quebec has been asking for that for a long time.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the bill before the House has a straightforward goal. It provides the legal mandate and structure for Human Resources Development Canada.

As the debate has already shown, we are not simply discussing technical legislation; we are in fact talking about a vision. That vision is one of Canadians and communities meeting the challenges of a new economy. It is a vision of a federal government that works as a partner within Canadian communities. It is a vision based on jobs, growth and results.

This is not a vision of the future; it is a reality today. At a time when people ask how governments can get closer to the people they serve, HRDC is showing the way. This is true in every province and every territory. I know it is certainly true in the riding I represent in the House of Commons, York North.

York North is one of the most dynamic areas in Canada. There are new families, new businesses and new opportunities everywhere in the riding. However, growth does not simply happen. We have to build for success. This is what we are achieving in York North.

We are doing it through the York North technology strategy. This strategy was developed by working together with municipal governments, businesses, community organizations and area residents. It will prepare the people and communities in my riding for the 21st century. It will help them make the most of today's technology and will allow them to turn change into opportunity. It will equip people with tools which will help them compete in the economy we see emerging all around us.

The government has been there to help. We have been able to use the department's flexible and effective programs to translate this strategy into concrete, innovative projects. We have been able to match the energy of community leaders in the York region with the tools of Human Resources Development Canada.

One example is our new York region strategic alliance. The Regional Municipality of York, Seneca College and local employers have joined with the federal government to foster jobs and growth in this region. We are pooling resources and skills. We are sharing overhead and information. We are finding projects which will offer a real bang for the buck in terms of job creation.

Strategic alliance's first project is taking place in the city of Vaughan. It is a pilot survey which will develop a database on local business opportunities and resources. This information will be available to employers around the world via the Internet. It will help employers who are considering Vaughan as a place to do business. It will help those already there who are considering expansion.

Human Resources Development Canada was approached to help out with this initiative. Recognizing the importance of upgrading skills and modernizing the economy, our government supported this initiative.

• (1610)

Today, current unemployment insurance recipients are acquiring new skills that will help them return to the workforce on a more permanent basis. They are creating the database. They are doing the research. They are entering data and writing reports. They are learning and acquiring marketable skills. They are achieving and contributing to the well–being of the Canadian economy.

We see strategic alliance as a solid investment in the future of our economy. I use the word investment with good reason. We expect two results from this project that will continue long after the Human Resources Development Canada funding is over.

The first is that each of these employees will have better skills to bring to new employers. They will have received active help from unemployment insurance, not just temporary income. They will be back on the job, not back on the UI treadmill. The second is that the city of Vaughan and then all of York region will have an effective pool of resources and tools to create and attract jobs. That is only one of the many excellent examples of how HRDC works with communities.

Just over a month ago I announced the establishment of the technology enterprise centre in the city of Vaughan. It was a very important day for the city. Vaughan is a young community in many ways. Many of my constituents are young people and parents who are concerned about the future. They know the economy demands more from all of us. They are prepared to meet that challenge. They need a government that will help them and their children acquire the skills the new economy demands.

The technology enterprise centre is one way to provide essential skills. The project is sponsored by the Vaughan economic and technology development department. When the project is in full swing, 60 participants will have learned entrepreneurial skills, skills that are important in creating jobs for themselves and also creating jobs for other Canadians.

Those entrepreneurial skills will have a particular focus: the high technology sector. The centre will work with unemployed residents between the ages of 19 and 34 who have a background in technology or research. It will help them gain the skills to start their own high tech businesses, or work for one of the many enterprises already established in Vaughan. This promises to be an intensive program with a realistic basis. After all, we know that companies such as Microsoft started in garages. Who knows where the next leaders of this innovative technology based revolution will come from?

Community leaders in the private sector and at the city of Vaughan knew we have people who want to create opportunities. They were willing to contribute computer equipment to support this idea. They were willing to secure corporate sponsors to keep this idea going. They needed a partner to help get this off the ground. Once again our government was there to help.

We are deeply committed to the employment needs of youth. We recognize the importance of entrepreneurship in our high technology industries. Thanks to the support of our government based targeted labour market initiative, this is a chance to test a great idea with a great deal of potential.

The federal government earmarked funding for the technology enterprise centre. This is one more example of this government's commitment to listen to communities. We work with their priorities; we focus on creating results. This is fundamental to the new way of governing and governance in this country.

It is extremely important for us to reach out to the communities, to reach out to individuals and to help them along. More important, it is really about people investing in people, helping people help themselves, creating the entrepreneurial environment where jobs are created and to give young people the opportunity to acquire the skills required to meet the challenges of the new economy.

• (1615)

Statistics show us that 45 per cent of all new jobs created between 1990 and the year 2000 will require more than 16 years of training and education. Never before have education and training played such a vital role in our children's future. In order to face this challenge head on, the public, private and educational sectors must band together to give our children the tools they need to succeed.

Last fall, together with Mr. Colin Morrison of the Career Foundation and Philipp Tafelmacher, president of Tetra–Pak, I introduced the York Region Compact, a partnership for learning. This unique co–operative education program focuses on matching students with local companies based on the student's career goals, skills, and the requirements of the organizations.

This spring I announced federal support for training young people in the automotive repair and service sector. As a result of an internship partnership forged between the Canadian Automotive Repair Service Knowledge Network, CARS, whose head office is located in Richmond Hill, and Human Resources Development Canada, labour and the private sector working together, over 1,000 young people will receive hands on experience in this expanding industry with one of the major automakers, whether it be Chrysler, Ford or General Motors.

What is important is that we are in fact training young people for jobs with a future. Why are we focusing on CARS? Why are we focusing on environmental technology, computers and tourism? It is because these are jobs with a future. We want to give

young people the skills required to obtain a job in a very competitive marketplace where jobs are long lasting and high paying.

This government has created over 500,000 jobs so far, and the majority are full time, high paying jobs. It is a highly paid, highly skilled, high value added society that we want to create so that the quality of life for Canadians can be maintained.

I am very proud to be a partner in initiatives such as the ones I have outlined. However, we could never have set these projects in motion without first being a community with the foresight to develop such a plan for the future.

The North York technology strategy is about a community that is committed to working together. It is about people, employers, community organizations, and governments that are prepared to combine their efforts and work together for results that will benefit us for a long time to come.

If I had the time I could discuss so many other examples of similar kinds of human resource development co–operation programs I have seen. One excellent example is the self–employment assistance program that has helped 34,000 people across Canada start businesses. Those businesses have created 68,000 jobs. In North York literally hundreds of people have benefited from this program.

The same is true about our support of young people. In April 1994 our government unveiled the youth employment and learning strategy. This strategy is a cumulative result of many years of consultation, policy development, symposia, and town hall meetings with Canadians from coast to coast to coast.

This Liberal government recognizes that our youth is a very important resource, and as such should be treated with a great deal of dignity and priority. That is why this year, during a time of fiscal restraint, the overall budget for youth employment services was increased by $43 million, to $236 million. We understand that investing in young people is an excellent investment for the future of this country.

• (1620)

An important element of the youth employment and learning strategy is the national summer job action plan, which I announced in the city of Vaughan this spring. This year the student summer job action program created 44,500 jobs nationwide. When we include the spinoffs from the Canada Employment Centres for students, we created almost 250,000 jobs for our young people.

Youth Service Canada and the youth internship program are viable, very interesting, and positive measures for young people. Youth Service Canada gives young people a chance to develop skills and confidence while serving their community. Participants receive a $2,000 voucher to be used for tuition or to start a business. To date, Youth Service Canada has given more than 3,500 young Canadians a head start on their career path.

The youth internship program provides a combination of training on the job and in class, with a balance of both specific and basic employment. Some 27,000 young people have benefited from this program since its inception.

The government invests in results. We are committed to innovation, co–operation and flexibility. We know that people and communities understand their priorities. We know they are willing to make a real commitment to meeting these priorities, and we are willing to work with them in a way that meets their needs.

At the same time we are adapting more than the services we provide. We are improving the way in which these services are delivered. In order to serve our clients better we have developed an integrated, affordable, highly flexible and decentralized service delivery network. This network incorporates new strategies and new tools for getting employment services and programs into the hands of the people who need them. While it maintains a face to face service that clients need it adds new technology features which enhance and expand service delivery.

The use of new technology will be a key feature of the new service delivery network. Through electronic information kiosks, on line database and telephone access systems, the department hopes to extend its reach to clients and all Canadians. New technology will enhance the capacity of our staff to deliver information and services. Through built in flexibility, our staff is responding to what Canadians want and keeping pace with rapid changes in the job market. These initiatives and improvements are really the point of Bill C–96, which creates a department that will work with Canadians.

Everywhere I go throughout the country, whether it is in the Atlantic provinces, British Columbia, Alberta or the province of Ontario, I find that people are responding positively to the new way of delivering services. They are responding positively to the new way of bringing people together. I am quite excited by the revolution that is occurring in every single province, in every city, in every community of this great land. People are coming together, finding out what their priorities are. They have a federal government that facilitates this meeting of people and bringing an idea to fruition, facilitates the ability to be accountable and to deliver services that make sense.

The federal government is reclaiming relevance at the community level. Any hard working member of Parliament who has the ability to lead their community, the ability to facilitate the meeting of people, and who has the deep desire to bring about

positive change in their community can do so, because we have built into this legislation the type of flexibility that will bring their dreams and the dreams of Canadians from coast to coast to reality.

• (1625)

It is not now the time to throw up your hands and say that Canada is not worth it. It is time to roll up your sleeves and make your community work.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, it is rather surprising to hear such a statement only two weeks after the referendum results.

It is true that the yes side got 49,4 p. 100 of the vote, but if there is one issue on which a referendum today would lead to a landslide victory, it is the return of powers to Quebec regarding manpower training.

Again this week, Mr. Gérald A. Ponton, chairman of the Association des manufacturiers du Québec—not a member of the Parti Quebecois, not a member of the Bloc Quebecois, but the chairman of the Association des manufacturiers du Québec—clearly stated that there is a consensus in Quebec, that it was reiterated during the referendum campaign, that if the federal government wants to give us clear evidence of the will for reform it expressed during the week prior to the referendum, it should give the Government of Quebec the responsibility for all manpower training.

It is very surprising to hear the member state that the present government wants to have concrete results to show how effective it is. From September 1994 to September 1995, the number of welfare recipients increased by 20,000, mostly because the unemployment insurance rules were tightened up by this government that wanted to create, in the unemployment fund, an artificial surplus that will amount to about $5 billion for this year. When the government makes decisions like this one that leads people to apply for welfare, I think we see very concrete results that do not reflect very well on the present government.

In his speech, the member used the term "decentralize". That must be one of these words that does not mean the same thing in Canada and in Quebec. In every management book I studied, decentralization means mandating somebody to assume the whole responsibility of some undertaking. Everything there is in the bill presented by the Minister of Human Resources Development is to be found in clause 6 which reads as follows:

> The powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction relating to the development of the human resources of Canada not by law assigned to any other Minister, department, board or agency of the Government of Canada—

This bill does not mention provincial responsibilities, contrary to Bill C–95 which at least, in the health area, contained clauses ensuring that the federal government would not encroach upon provincial jurisdiction. In this bill, nothing is said about that.

When you look at all those elements, it seems fair to ask the government if this bill, tabled before the outcome of the referendum, should not have died on the Order Paper, because it shows clearly that the federal government has no intention whatsoever of making real changes. It wants to make cosmetic changes only. The way to show they want change would be to amend the bill so that manpower training can become an exclusive jurisdiction for Quebec.

[*English*]

Mr. Bevilacqua: Mr. Speaker, I am often quite puzzled by some of the questions the Bloc Quebecois asks in the House of Commons.

Mr. Hill (Prince George—Peace River): It does not take much to puzzle you.

Mr. Bevilacqua: I wonder if a member from British Columbia who came to a neighbouring riding and was able to draw only six people has the right to even express an opinion.

Mr. Hill (Prince George—Peace River): Nobody has the right except you. You are the only one with rights here.

Mr. Bevilacqua: I want to tell the hon. member that there was no question, as he may recall, on the June offer the Minister of Human Resources Development made to the provincial minister of employment, basically asking to sit down and perhaps come up with some different arrangements for a local economic development strategy for the province of Quebec and indeed any other province that would like to participate.

• (1630)

I find that quite ironic, considering that the government, in co–operation with the people of Canada, has been able to create a climate where there have been over 500,000 full time, high paying jobs created since the October 1993 election.

We have made offers to the provinces on the issue of the labour market. The hon. member knows that. As a matter of fact, we have continually made offers and it has taken a long time for the minister from Quebec responsible for employment to even have the decency to respond to the offers made by the Minister of Human Resources Development.

If the hon. member is asking if can we make some changes to the way the federal government and the provinces relate, I submit that changes should be made not only with the provinces but with the way in which we deal with communities and individuals. The hon. member knows that governing and gover-

nance is an evolving process. Changes have occurred throughout the past two years. I cited earlier in my comments, in response to the member for Lévis, a number of initiatives that are working quite well.

When I was in Pierrefonds, Quebec, avec ton cher collègue du Parti québécois, le ministre de l'Éducation, Mr. Garon, we were there working together, ensemble, to make sure that by pooling the resources available, 1,000 young people, in co–operation with the Sectoral Council of Cars and Chrysler Canada, would get jobs.

When you speak to young Quebecers, when you speak to young Albertans, when you speak to young British Columbians, their dream is to get a job, to have the type of security that the government is providing.

Are we open to leading the way in these consultations toward change? Of course we are. It is unfair for any member of the opposition to say that no progress has been made because the numbers speak for themselves.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I was interested that the parliamentary secretary in his vision of the new Canada said that the federal government works as a partner. Some partner. This is a partner that just finished removing $7 billion from the social spending envelope. What kind of a partner is that?

All the words that the government keeps coming up with are nothing more than the platitudes of speech writers. Would he care to enlighten us as to who wrote his speech?

The Acting Speaker (Mr. Kilger): I want to remind my colleagues on all sides of the House to please make their interventions through the Chair.

Mr. Bevilacqua: Mr. Speaker, you can rest assured it was not a member of the Reform Party. Speeches have to make sense and I would never go to them for any advice on that.

The hon. member knows because he has visited my community that it is working quite well. It is doing that with a Liberal member on the government side.

This is what Reform Party members do a lot. They sit here and complain about cuts. When they ran in the 1993 election, they were going to cut approximately $15 billion from social spending. Since then, they have come up with a super RRSP for seniors that would actually reduce benefits for our seniors.

Mr. Hill (Prince George—Peace River): Baloney.

Mr. Bevilacqua: There you are, Reform. It takes away maternity benefits. This is the type of cave age Reformers we have in this House. They seem to throw numbers and figures around. You should even check your super RSP—

• (1635)

The Acting Speaker (Mr. Kilger): Order, please. I know that there are strongly held views in most debates, if not all of them, but there is a proper way to conduct debates and going through the Chair is most helpful.

Mr. Bevilacqua: Mr. Speaker, I will do that. There are correct views and there are wrong views. I believe that the hon. member is expressing wrong views.

When we look at the budget which Reformers proposed, in relation to the super RSP, they have something called recognition bonds within that framework. The unfortunate thing is that they are reinventing the Canada pension plan, the OAS and the GIS. The only thing they do not know about the bonds is how they are going to pay for them. Everything else works quite well, according to them.

I ask for a very simple thing from them. When Reform Party members speak in the House of Commons they really should take a bit more care, a bit more time, to analyse clearly and study the issues and not to present to Canadians plans which simply do not make sense. Canadians want plans that work. Canadians want plans that result in job creation. Canadians want plans that create jobs and economic growth. That is what the government has been able to do in the past two years. I know that members of the Reform Party are really not happy with that.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, this is getting more interesting as we go. I find it enlightening when we are told our plans do not work. I have been here for over two years and I have yet to hear of a plan coming from the government.

The bill we are speaking about is Bill C–96, which we oppose. I must say, Mr. Speaker, that I am sharing my time with my colleague from Kootenay East.

I would like to comment on the presentations which have been made this afternoon. One of our Liberal colleagues called on us to work together. Perhaps we could work together, reasonably closely, if the goal that the Liberal government has and the goal which the Reform Party has were at least close. I am going to demonstrate why we have these emotional debates. What we hear is rhetoric. We do not see concrete examples. We do not see anything substantive coming from the government which fits into Canadian society today.

I hear that the bill will empower the government—

Mr. Bevilacqua: People.

Mr. White (Fraser Valley West): No, it was government. That was the word.

Since October 1993 the government has had a majority. We are now, over two years later, talking about Bill C–96 which will empower the government. I have to wonder what has happened in the last two years. Has the government been thinking that maybe it should be empowered? It already is empowered. Has it been thinking about what it will do now that it has been elected by surprise? Exactly what has the government been thinking for the last two years?

This legislation will only go into that place over there, it will sit and go through committee, and it will be into year three if not year four before the government will say it is empowered. We have to wonder what the logic is.

Mr. Abbott: Elect them again.

Mr. White (Fraser Valley West): I guess that is what they are looking for. They can go into the next election and say: "This is what we wanted to do for those first five years and we are really going to do it in the second five years". That is unacceptable.

Well done is better than well said. The government should think about that. All it is doing is talking. Meanwhile people are waiting. Maybe it is just not all talk. Maybe there are some things the government has done.

• (1640)

Since being elected it has overspent in the last two years $80 billion plus. Congratulations. Add the interest on top and the figure is close to putting $100 billion more debt on the backs of our children. The Liberal members sit there sanctimoniously talking about how well they are doing.

People listening to this have to be really disgusted with this kind of talk about how they are empowered, how they have done things, how they are doing things. What they have done is put us deeper in debt.

When I talk about the social programs, the question has to be asked: How is the government going to address social programs when it is blowing the budget every year and adding more debt? The fact is that the premiums have to go up and the benefits have to come down. If the government keeps spending and spending into oblivion it is going to cost big time. Government members sit there spouting this rhetoric, like they are going to do something. They have done something all right.

Let us talk about the member who has just finished speaking. "Canada works. Canadians feel that Canada works". As I recall, during the last election campaign, I said that Canada was not working very well. The people said: "Yes, we agree with you. Canada is not working very well". Where does Canada work? Where Liberals sit, where their Liberal ridings are, is that where Canada works? It does not work in my riding.

The Liberals have a straightforward goal. They are talking about a vision and a new economy. Yes, they are creating a new economy. Congratulations. We are back to the $80 billion over two years again. They are creating a new economy all right. We are going down hill fast. If they had anything serious to do with the economy they would not set ridiculous financial targets like having a deficit which is 3 per cent of the gross domestic product after three years.

What the Liberals are really saying is after three years we will be overspending every year by $26 billion. What kind of logic is that in a day and age when we have $565 billion of debt? What kind of responsibility is that of a majority government to the young kids in this country? I have to address these things sometimes.

The comment was made that 500,000 jobs have been created. Where do we get this figure of 500,000 jobs from? Where does this number come from? I followed up on one of these comments that was made in Atlantic Canada where the government had said it had created 40,000 jobs in ACOA. As it happens the challenge was put out to prove it.

The government backed off and said: "We say it is 40,000 jobs, we know". Show us how. How did the government figure that out. With a survey of a half dozen or so companies extrapolated came out to 40,000 people if this and this and this happened. It is hogwash. When the government throws out numbers like 500,000 new jobs it is hogwash. It cannot prove it.

The government talked about 100,000 jobs in infrastructure. It only cost us $6 billion, and if there are 100,000 jobs, most of them are temporary. Who will pick up the bill for $6 billion? Congratulations. To get their names on the stats for the unemployed they have spent $6 billion of the taxpayers' money. I would not pat myself on the back if I were a Liberal. I would be ashamed.

• (1645)

This bill transfers powers from the former ministry of employment and immigration. I guess it is necessary to transfer the powers. The Liberals took over from the Conservatives. There is going to be a name change, move people around and that sort of thing. However, let us look at the job they have done.

After 30 years of big government, both Liberal and Conservative, we have ended up with less security instead of more because they mortgaged our future. There is less security today than there was before in the social programs. Now the Liberals come into the House and say they have a real novel idea. They are going to fix it. That is novel, after 30 years of being at the trough.

Pensions by and large are unfunded today.

An hon. member: Not theirs.

Mr. White (Fraser Valley West): Except the MPs pension. They are all on that. If they will protect and pension it is that one. Fully 1 per cent of our population is waiting for significant surgery. Tuition is rising and literacy is falling. These are not

negative comments; this is reality. I caution Liberal members to stop coming into this House and putting platitudes to the Speaker expecting people to buy them. They do not.

Is my time running out? I knew this would happen. I cannot even give a good lesson to these people without running out of time.

Mr. Abbott: They would not learn anyway.

Mr. White (Fraser Valley West): Have I got a minute? Rats. I am out of time.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, my Reform colleagues and I were elected on a platform of real change. It was change that would revolutionize the power and prosperity of Confederation, change that would put an end to the burden of constitutional wrangling which has plagued this land for generations, change that would release Canadians from the oppressive weight of deficit spending. These sentiments were echoed all across the country, particularly as we led up to the referendum on October 30. Canadians are not happy with the way their government operates and they want it fixed no matter where they are in Canada.

Today we are addressing Bill C–96, an act to establish the Department of Human Resources Development. One would hope that a responsible government would listen to the wants of the electorate and do everything in its power to accommodate them. However, this bill perpetuates the centralized grip that Ottawa maintains on programs which would be administered much more effectively at the local level.

Each province and region in Canada is distinctly different from the other. Demographically speaking, there are more differences between the provinces than there are similarities. Each province has identifiable characteristics which are unique to its own situation. These differences supersede language, culture and self–determination demanding economic prosperity through natural resources, employment, education, training, social services and housing. The Ottawa bureaucracy has historically implemented a unilateral blanket of policies which falls short of fulfilling the individual needs of the provinces.

Mr. Speaker, if you were going to purchase a helmet, would you purchase a generic helmet or would you purchase a helmet that was customized to your size and function? You would not purchase a cycling helmet to play hockey. Why? Because it is not suitable. While a cycling helmet is quite effective for cycling, it is not effective in protecting your health and livelihood even if you are a referee in a hockey game.

• (1650)

The same can be said for human resources development programs. It is imperative that social programs meet the specialized needs of a given province or municipality. Who better to determine that criterion than the province itself or the people in the communities?

This bill pays lip service to decentralization. For example, clause 20 of the bill gives the minister the power to enter into negotiations with groups, including provinces and municipalities, for the administration of services under the Department of Human Resources Development. Although in theory this practice can be seen as a movement toward privatization, in reality it continues to exist unchanged as a centralized body subject to the exclusive decision making practices of the minister. It is lip service.

The parliamentary secretary for HRD earlier in debate said that the federal government works as a partner. The minister is the decision maker for that partner. It is that partner which has removed $7 billion from this social envelope to which I say, with friends like this, who needs enemies?

Since the time of Confederation the federal government scribed, debated and implemented laws which were perceived to be in the best interests of the nation. Over the past 128 years Canada has emerged as a nation comprised of diverse communities to which the archaic macro political practices of the past no longer apply.

Canada needs legislation which is flexible enough to accommodate Canadians from Corner Brook to Cranbrook and everywhere in between. It is time to end the centralized purse string control which Ottawa has over the Canadian taxpayer and over the functions that are covered by this act.

Tax dollars are squandered in order to sustain the massive national central bureaucracy which is not in touch with the needs and wants of Canadians in Corner Brook and Cranbrook. The constituents in my riding, like all other ridings across this great land, pay taxes for essential services. Let us look at this sum as though it were just one dollar.

That dollar is sent to Ottawa where the cost of the massive bureaucracy does little more than deplete the amount of that tax dollar. By the time it is sent to the province through transfer payments, that dollar probably is worth about 80 cents. A similar vacuous process takes place at the provincial level where duplication of bureaucratic intervention does little else than spend tax dollars without cause or consequence, the resulting factor being that the original tax dollar collected from Joe Public is returned to the community as only 60 cents. This is one of the many reasons our country is in such a sorry financial state.

There are considerable benefits to downloading the collection and implementation of essential service taxes from the federal level to the local level. Look at the simplification of collecting, administering and dispensing benefits and essential services at

the level at which the services are received rather than meddling at the federal level.

The most obvious advantage is the omission of expensive and extraneous bureaucratic intervention. The administration of taxes at a local level would ensure the transparency and accountability that Canadians have come to demand from their public institutions. Closed door deals and political patronage are not welcome.

This bill proposes there is room for the commercialization or privatization of these services by allowing the minister or his appointed representatives to enter into negotiations with the provinces and other parties. But surprise, surprise, the final decision will be at the discretion of the minister, not the public. This is a problem because the minister receives advice from the federal bureaucracy interested in its own self–preservation.

Reform is calling for the decentralization of federal powers in these areas. Decentralization means that the provinces, regions and municipalities decide based on their own needs when, why and especially how the funds are to be administered. Downloading gives Canadians a higher return on their tax investment while empowering them to be able to decide how their tax dollars are going to be spent.

This concept is obviously scary to the establishment. Traditional federal institutions will be quite opposed to relinquishing any power. So too is the federal Liberal government whose mandate is based on the inflexible centralized power which has existed since Confederation.

• (1655)

Bill C–96 does nothing to remedy the problems which are evident to everyone except this Liberal government. Canadians are calling for real change, not minuscule housekeeping activities.

Bill C–96 as I have stated, continues centralization in spite of the cosmetics. There is a lot of lip service in the bill to the idea of decentralization and changing where the decisions are going to be made.

Reform by contrast offers protection to pensioners for OAS and for CPP which is completely unfunded and which will run out of funds within a very specified period of time. Reform looks to decentralization and the efficiencies that would occur from that decentralization putting power back in the hands of Canadians where it should be. This government continues to tell the lie that the government will do it. Its spending habits are such that the government can no longer be counted on to do it.

The country at this point is in a unique position to make changes. Canadians are demanding change, but more important, Canadians are demanding change now. Vacuous housekeeping bills like this one do absolutely nothing to give the change Canadians are asking for.

Canadians want a decentralized power structure which empowers citizens, not politicians. Canadians do not want Bill C–96 and neither does the Reform Party. We saw Canadians come together in strength in Montreal. We saw an outpouring of healthy Canadian nationalism. What they did not want was status quo legislation like Bill C–96.

Canadians are looking for leadership. I say to the Liberals: You can lead or you can follow, but if you are not going to lead, get out of the way.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I listened attentively to the member's speech.

With respect, I must say his message is somewhat convoluted. On one hand he says that this is a housekeeping bill. He referred to it as status quo legislation and then talked about the Liberals trying to centralize power with the bill. Now, if the bill does not do anything, as the member suggested, how could it further centralize power? There is something there that whoever wrote that speech should try to straighten out. There is an obvious contradiction.

Let us assume for one minute that the member was confused about the bill being housekeeping and status quo legislation and it is about centralizing power which he talked about initially. The member is going to have to answer another question. If the Liberals want to centralize power, as they have traditionally wanted to do according to the member—which of course is factually incorrect as we all know, those of us who are objective like you, Mr. Speaker, being the independent person you are in the House you will understand this—then surely we have not done a very good job of centralizing.

We live in what is either the most decentralized federation or second most, depending on those who consider Switzerland to be more decentralized than Canada or Canada more decentralized than Switzerland. If we have centralized all that much and it is still the least centralized country in the world, it seems to me we have not done a very good job of centralizing.

Would the member explain these contradictions in his speech because with respect, I believe they do not make a heck of a lot of sense. We cannot have centralized all these things and still end up with a country that is very decentralized.

The member also talked about the finances of the nation which he says we have not sufficiently addressed. Perhaps the member is reading from material that was prepared some time ago. Surely, he would know that no less than the people at *Fortune* magazine, which is a rather prestigious publication, recently said that Canada was now a good place to invest because it had finally addressed the issue of the deficit and was progressing to clean its fiscal house and put things in order. That

is another contradiction. Maybe the member can explain to us why he believes all these things that are different from reality.

• (1700)

Mr. Abbott: Mr. Speaker, I appreciate the opportunity to answer those questions. As the member will probably recall, today we will be going to the world money markets to borrow $100 million. What is it for? Is it for human resource development or medicare? No, we are going to the world markets today to borrow $100 million to pay the interest on the money we have already borrowed. If that is not bogus I do not know what in the world is.

The reality is that while the member may be correct, and I am prepared to accept what he has said about *Fortune* magazine's saying this is a good place to invest, and truly in Canada with the resources and the people we have it is a good place to invest, but I remind him the bond rating agencies have downgraded the Canadian/U.S. denominated debt and we have been put on watch on our Canada bonds.

If we are in such good shape, I wonder if they too are concerned, as we are, about the fact that today we will borrow $100 million to pay interest on money we have already borrowed.

Dealing with the issues the member raised I find, as my leader has from time to time, that perhaps if we speak a little slower and perhaps get to smaller words sometimes we can manage to get our message to the people on the other side.

I was talking about the fact that this bill is a continuation of the process of the centralization we have had in Ottawa since 1968, since the time of Trudeau, when the giant sucking noise Canadians heard was all of the money, all of the power, all of the decision making being drawn into Ottawa. This bill does absolutely nothing to change that situation. It is the continuation of the centralized decision making process.

I say to the member who, after all, has a responsibility to the affairs of the House, the House has continued since we reconvened in the middle of September to do nothing but housekeeping things. Rather than coming forward with this kind of a bill, why are we not getting the reports that have been promised from HRD on UI, on pension? Why are we not getting those things? I suggest it is because the government is devoid of any ability to bring us those things.

[*Translation*]

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I am very proud today to have this opportunity to speak in the House of Commons, this impressive forum of democracy, to support the Minister of Human Resources Development and his parliamentary secretary here on my left, on Bill C–96.

The purpose of this bill is basically to establish and give a clear mandate to a department that, as we know, is fundamentally important to Canadian society and plays an equally important role in the daily lives of our citizens, not only in Quebec but in Canada as well.

In fact, Bill C–96 ensures that the minister and his team can continue to help people in need, both in Quebec and the rest of Canada, and in all the regions, whether we are talking about the Gaspé or Abitibi–Témiscamingue. In fact, it is a tool that allows the federal government to intervene in an intelligent way to provide assistance where needed.

• (1705)

It makes me really sad to see that, even when we are discussing an issue as important as the reform of the human resources department, the official opposition cannot refrain from playing pure party politics.

During the referendum campaign just concluded, we heard all sorts of statements which completely distorted the facts and which, in my opinion, were nothing but an insult to people's intelligence.

Earlier, the member for Lévis concluded his speech by saying something which the official opposition keeps repeating all the time. Alluding to comments presumably made in this House, he said something about facing the music. It is unfortunate for Canadians that the official opposition cannot set aside its partisan attitude and stop trying to distort the facts and the statements made in this democratic place.

I am not surprised to hear members of the official opposition say that the ultimate purpose of Bill C–96 is to make sure that the federal government continues to interfere in fields of provincial jurisdiction. I am not surprised because this is yet another tactic to avoid debating the real issue, as well as an attempt to fool the public.

This is unfortunate, because today, what we are saying on the Liberal side is that the referendum was democratically held, that people voted no, but also voted for change.

In today's context, changes must involve the federal government and all the provinces working hand in hand. Essentially, we are talking about multilateral relations. It is in working together that we will be able to respond to the desire for change expressed by the people in Quebec, a desire which is felt not only in Quebec, but across Canada.

Unfortunately, with the government we have now in Quebec, and with the official opposition we have in Ottawa, it is very difficult to see how we can work towards a common goal, an ultimate goal, which, in the end, is in the best interests of the people, because they do not want the Canadian federation to work.

Indeed, it is not by withdrawing from multilateral discussions, as the Parti Quebecois government did in Quebec, that advances will be made in improving Canadian federalism. It is not by withdrawing from multilateral discussions on the environment that it will be able to better defend Quebecers' interests so that Quebec can continue to be part of the federation, and continue to be an extremely strong province in a prosperous and united Canada.

It is not by refusing to sit down at a conference table with the other provincial premiers that the system will be changed. In the end, it is the people in Quebec who are suffering from this refusal to co–operate.

There is nothing complicated in this bill. It is aimed at giving tools to the federal government, at reorganizing a department, and yet, the official opposition is acting prematurely. The opposition is talking about interference. It is a bit early to start talking about interference. Before talking about interference, one must wait to see the kind of reforms the minister and his team will be able to bring about.

• (1710)

Judging on past experiences, if the past is any indication of the future, I think the minister has every reason to be proud of the changes he is proposing, and I think people in Quebec and Canada have a right to expect promising and positive changes which meet the expectations not only of Quebecers but of all Canadians.

When I speak about changes the minister should be proud of, members will recall that, at the beginning of the year, before the finance minister's budget was tabled, the official opposition said loud and clear that they wanted the Canada Assistance Plan to be eliminated and transformed into a much more flexible plan, giving more leeway to provinces.

Responding to that reality, that legitimate request, the human resources development minister, in co–operation with the finance minister, replaced the Canada Assistance Plan with the Canada social transfer.

What is the Canada social transfer? It is a tool which will allow the federal government to transfer funds to the provinces so that they can operate in the social field and do so with much more flexibility.

Let me read a few lines. It says that the social transfer is mainly designed to help the provinces provide the level of benefits and social assistance that they wanted to provide but could not because of inflexible rules. That is done.

Someone mentioned earlier that the past is an indication of what the future holds. It is clear that the Canada social transfer is far from being the monster that the official opposition has made it out to be. It is essentially a structure in which all the provinces have more leeway.

What is the Canada social transfer about? It makes it possible for instance to fund parental wage assistance programs such as the one known as APPORT in Quebec. This is an exclusively provincial program. So, with the Canada social transfer, the funding of programs like APPORT, a program developed by the Government of Quebec and appreciated by everyone, is made possible, while, under the old system, the Canada Assistance Plan, it could not be funded.

The Canada social transfer, or CST for short, also provides for the provincial sales tax to be refunded to welfare recipients, a measure which could not have been implemented under the Canada Assistance Plan. I read further that it also includes a program to provide food to disadvantaged children, which would not have been possible either under the old system because it was too inflexible.

The Canada social transfer also includes the provision of transportation services to people with disabilities, services that can be provided without having to assessment needs, contrary to the prescribed procedure for qualifying for funding under the old system.

The steps taken by the minister and his department are clearly a reflection of the federal administration's good faith and commitment to keep up with the trends towards change, as requested by the public.

As for trends toward change, as for the Canada Assistance Plan, we keep hearing: "Yes, but that mean beast, the federal machinery, is the only one setting national standards". I have said it in this House and I repeat that we are a country. I think that, whether we are from Quebec, Ontario, British Columbia or Newfoundland, we agree that we, together, as a big family, must have standards that allow for a similar quality of life throughout the country.

• (1715)

But as far as the system is concerned, we kept hearing that national standards were set unilaterally by the federal machinery. Again, in trying to respond to the needs for change, to the demands of the provinces, the Minister of Human Resources Development has ensured that national standards will now be set in co–operation with the provinces, through the Canada social transfer. So, we are not imposing any more; quite the contrary, we are responding to current federalism, evolutionary federalism. We are responding once again to the winds of change and, once again, in a spirit of good faith that demonstrates a will to work in partnership and in co–operation with the provinces.

When talking about a will to change on the part of the federal government and a will to respect the wishes of the people, we can consider the strategic initiatives put forward by the minister to implement a number of programs based on the priorities and needs of the provinces.

Can we still talk about interference by the federal machinery? I think that the action taken by the minister clearly demonstrates that we are following this trend of open federalism, of modern federalism that increasingly respects the objectives and wishes of the provinces as a whole. Furthermore, with respect to reform, we must bear in mind that the people as a whole asked that reform take place not only to decentralize but also to ensure that programs established in the 1960s can be brought into line with the new needs of Canadians in terms of social and labour market programs. That is why the minister and his officials are busy implementing programs that meet the expectations of the members of the Canadian society of the 1990s by making sure that the department can make the leap into the next millennium.

In fact, our goal is to better serve the public and provide it with tools. At this stage, on the basis of Bill C–96, whose purpose is to set out the department's mandate, I think that in the general, public interest, we must try to see our basic role, our ultimate goal and purpose, at the provincial and federal levels, as working together, hand in hand, towards change in the federal system.

The department this bill deals with is an important department because of both the role it plays in the field and of what it can achieve with the funds at its disposal.

To show how important this department is, this is the department responsible for unemployment insurance. Changes will soon be made to the UI program. Again, the minister's clear commitment to respecting all the provinces and meeting the needs of the public will show.

This is an important department, whose role in Quebec and Canada cannot be underestimated, a department which people rely on and which has an impact on everyday life, a department which, last year, spent $13.3 billion in the province of Quebec alone.

How does this affect us? This amount of $13.3 billion was used to help more than 164,000 Quebecers find jobs and 44,789 students find summers jobs, to pump $1.5 billion into the Quebec post–secondary education system, to ensure that more than 80,000 Quebecers receive adequate training, while $3 billion went to subsidizing Quebec social assistance programs, which benefited approximately 700,000 people.

• (1720)

We are talking about a department that, on the average, allowed UI benefits to be paid to some 528 unemployed people every month. That is not all. I have a long list in front of me, but unfortunately it would take too long to enumerate all the concrete actions that were taken.

The department also helped develop youth employment. So, we are talking about a department that is having a real effect, that is undergoing changes. Given that reality, instead of always playing politics, the official opposition should rise above partisanship and, just this once, think about the people's interest, try to serve them better and, finally, work in partnership.

We know what can be achieved through partnership and, again in this case, the past gives us an indication of what the future holds. Take for example the Canada social transfer set up because people asked for it. There are also the agreements to improve job opportunities for welfare recipients, which allow us to join forces in order to help them find jobs. There is also the block funding agreement which was concluded with Quebec under the Canada Student Loans Program.

There are many examples showing that if we are ready to co–operate, as Quebecers want, and work hand in hand toward the common goal of helping all the people, so that Quebec can still have its place, we will grow together and allow federalism to grow in the best interests of the people and the provinces.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I listened carefully to the member for Outremont and I am torn between disbelief and admiration. I say disbelief because, in spite of what the situation in Canada's manpower and employment sector, the member for Outremont keeps referring to a slew of federal and Liberal policies which, in the last two years, have obviously not given any results.

He told us about the role of the federal government regarding employment development in Quebec and in Canada. He said that this is important, that great things are happening. However, when we look at the statistics on unemployment, we see a situation quite different from the picture painted by the hon. member.

I say disbelief because I cannot understand how a member, who claims to be well aware of the situation of workers and of the plight of the unemployed and the welfare recipients in Quebec and in Canada, can seriously discuss federal policies and try to convince us that everything is fine, that there are no problems, that we simply must let the Minister of Human Resources Development go on with his good work. This is why I used the word disbelief.

My disbelief is also mixed with admiration. The hon. member talked about great principles. He told us about how we must work together, grow together, co–operate, be partners, and do our share to promote Canada's development.

• (1725)

In a way, I admire the hon. member, who may well become a minister some day. Indeed, his speech was an almost flawless performance in that it reflected the Liberal philosophy heard for at least 20 or 25 years, a philosophy which expresses something that no one recognizes in Canada. We are presented with a

picture of Canada that no one recognizes. And no one recognizes it because it obviously has nothing to do with reality.

Regarding the bill's provision on manpower training, we note that, for the last four or five years, since 1991 or so, everyone in Quebec has been asking that manpower adjustment and manpower training become the responsibility of the province. I say everyone, but I should be a little more specific and provide some names, since the hon. member may not have followed the developments in the newspapers and may not have heard the views expressed.

First, there was Mr. Bourbeau, then Quebec's Liberal minister of Labour; he was followed by Mr. Johnson and Mr. Ryan. Now, it is the PQ government. All of them asked that Quebec be given full responsibility for manpower. Mr. Dufour, president of Quebec's Conseil du patronat, made the same request. And so did, just this week, Mr. Gérald Ponton, president of Quebec's Association des manufacturiers.

I ask the hon. member: How does he explain the fact that everyone in Quebec, except for the provincial caucus of the Liberal Party of Canada, is asking that manpower training be made Quebec's responsibility? Why is it that he and the minister do not see that this is what Quebecers are asking for? Why is it that his government will not comply with that request in the bill before us today?

The Acting Speaker (Mr. Kilger): Before giving the floor to the hon. member, I must say that I failed earlier to carry out a duty with regard to the adjournment proceedings.

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 Notre–Dame–de–Grâce—International Criminal Court.

Mr. Cauchon: Mr. Speaker, I listened to my colleague's remarks. First, as regards admiration, I would ask my colleague not to waste any energy in admiring me but rather to use his energy in helping the federal system change, in working to represent objectively and constructively the interests of the whole population of Quebec so that we can continue to make Canadian federalism change.

I talked earlier about remarks that are an insult to people's intelligence. We have to listen. There are people watching us today. Some members said the bill deals with manpower. The bill before the House, Bill C–96, deals—and I point this out to people watching us—essentially with structuring the department, providing the minister and his department with a mandate and the tools needed to be able to work. It is a bill of a general nature that has nothing to do with manpower per se.

As concerns manpower, and again I said it in my main speech, we ought to wait. We are now dealing with a bill of a general nature. I said in my main speech that the minister and his officials did an outstanding job in order to serve and to respond to demands for change made by the population. There are more things to come. What I ask the official opposition to do is to work in co–operation with us, to accept the referendum results and to help bring about changes.

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*]

MINING EXPLORATION AND DEVELOPMENT

The House resumed from October 4, 1995, consideration of the motion that, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I would find Motion M–292 put forward by my colleague from Timiskaming—French River quite acceptable if it would take into account the history of this country and particularly of the province of Quebec.

I am in favour of implementing a new financial incentives program to encourage mining exploration and development in Canada and in Quebec, but not at any price or under any condition.

I do believe that natural resources play a crucial part in the economy of any country. A country without natural resources is a country that depends on international markets. It is very hard for a country with no natural resources to properly develop a processing industry. This industry would always rely on major markets and bear the brunt of a supply and demand system.

It would also be subject to the whims of the money markets which always seek to get the most out of our natural resources. We had a striking example of that situation in 1929, during the Great Depression.

When the automotive industry was in full expansion, the rubber producing countries, especially in Southeast Asia, could not get a reasonable price for their products although demand was very strong.

World financial markets were pulling the strings and, unfortunately, were getting richer at the expense of the producers. Government had to intervene so that this industry would not go bankrupt.

We still have the same market system and the government must act at the natural resources level. To yield all possible

benefits, the development of natural resources must be planned coherently and consistently, and I would not say this is the case in Canada.

The competition between the federal government and Quebec and the other provinces is counterproductive and above all very costly. It generates very expensive duplication and this waste of energy and money only benefits our competitors on the world markets.

While we, in Canada, are fighting each other and while the federal government is trying to oust the provinces from a jurisdiction which is rightly theirs, our competitors get the opportunity to capture our own markets. A country which fails to invest in the development of its natural resources shows a lack of foresight which makes it very vulnerable.

Motion M–292 by my colleague tends to maintain a minimum investment in the Canadian mining industry and this is very good.

Moreover, a country whose national government violates the jurisdictions of other levels of government cannot expect an exceptional performance from its industry. In Canada, we have had huge difficulties in this area for some years.

If you are a producer and if, every time you want to go ahead, you are faced with two levels of government that disagree and with two sets of standards, you will waste valuable time and energy that would be better spent elsewhere.

As everyone knows, a country's natural resources belong to the community. If they are available for the well–being of the population, they are at the heart of our own development. In addition to creating jobs, they play an active part in our economic growth and collective wealth.

As you will recall, Mr. Speaker, sections 109 and 117 of the 1867 Constitution Act gave the provinces ownership of the lands, mines, minerals, and attendant royalties; several provinces, including Quebec, used these provisions to promote local industrial development and economic diversification.

• (1735)

I was elected in a rural riding and a relatively poor region. Our natural resources are the key to the survival and development of small communities in our regions. The involvement of the government in this crucial economic sector is essential, and this is why I congratulate my colleague for presenting this amendment.

But I firmly believe that the federal government should stick to the Constitution and let the provinces and Quebec take care of this sector. The federal government should give back to the provinces the sums it has collected and continues to collect for natural resources, and tell them: "Administer them the best you can".

The federal government profited from the revenues yielded by the development of natural resources, and it would only be right, as is requested in Motion M–292 proposed by my colleague, that that money be used for further developing these resources. The interference of the federal government in natural resources is serious. For example, the federal government has heavily taxed petroleum, which is outright interference in interprovincial and international trade.

It unilaterally fixed the sale price of oil and gas, wading into the market beyond provincial boundaries, thus forcing certain producing provinces to reduce their royalties and, in certain cases, even causing them to lose certain foreign markets.

Moreover, one must not forget that the federal government has jurisdiction over interprovincial pipelines, interprovincial hydro lines and other methods of transportation between two or more provinces. Finally, in case of conflict leading to political stiffness like we experienced under the Trudeau government, the federal government could in a twisted manner use the declaratory power included in section 91(10)*c*) of the Constitution Act of 1867 to unilaterally declare, as we have often seen the Liberals do, that projects like power dams, mines and oil wells fall under exclusive federal jurisdiction. Furthermore, it could use the incidental power to regulate working conditions and product quality in those projects, thus encroaching once more on provincial jurisdiction.

The present government already did that through its environmental legislation which declared its authority on such projects. Many people, particularly now, ask themselves why Canadian federalism does not work. Yet, the answer is obvious. There is in Canada a level of government that does not respect the jurisdiction of other levels of government. There is a government which wants to grab all power for itself.

There is a government which does not have for objective the well–being of Canadians, but the appropriation of all power. I conclude by saying that the Bloc Quebecois will support the motion, but not without certain reservations.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I am pleased to have an opportunity to speak today in support of Motion No. 292, especially after the fairy tales I have been hearing from the member of the Bloc.

During my seven years as a member I have had an opportunity to meet various sectors of the mining industry, people involved in the mining industry on a daily basis. The main message they have been giving governments over these years is that governments must make a solid commitment not only to keeping the mining industry in Canada but also to making it prosper.

The motion before us today proposes the government consider implementing a new program of mining incentives which would encourage exploration and development in Canada. Although most people equate these incentives with taxes and grants, this is not necessarily the case.

• (1740)

I commend the hon. member for Timiskaming—French River for putting this motion forward. He has been very supportive of the mining industry. As he previously stated in the House, all the mining industry wants is a level playing field and a tax system competitive with the rest of the world and competitive internationally. In order to do this it is essential to streamline government procedures and to provide the mining industry with a single window approach to approvals.

The parliamentary secretary will be speaking after I finish. I am sure he will bring us up to date on how the minister is moving in these areas.

Why is this motion so important to Canadians? It is important because we are being asked to consider new initiatives, initiatives which previous governments did not feel were necessary.

When driving through Hagersville or Caledonia in my riding the first things we see as we approach these communities are the shafts of the gypsum mines. They support the gypsum plants which produce gypsum board which is shipped throughout North America. These communities rely on the mines, as do small communities in remote and rural areas all across the country. For visitors these mines show the importance of mining to the economic and social well–being of the country.

There has been a progressive decline in investment, employment and mining exploration in Canada over the last ten years. Between 1990 and 1993, 20,000 jobs were lost in the Canadian mining industry. Taking into consideration that mining provides 400,000 direct and indirect jobs in Canada, that number is quite substantial.

There are approximately 150 communities across Canada which depend on mining for their livelihood. When we factor in the number of businesses and the family members who buy goods from the stores and businesses, we are talking close to one million Canadians depending on this industry, a big industry in Canada.

We are also talking about an industry which pays some of the highest industrial wages in Canada: $847 per week. Most of these wages are earned in rural and isolated communities across the country. They provide the infrastructure in many places which keeps rural Canada together.

Between 1986 and 1991 Canada failed to attract a single new mining project with capital of more than $250 million. By comparison, Latin America acquired five such contracts. Likewise, from 1991 to 1992 more than 150 companies worldwide reduced expenditures in Canadian mining projects by 30 per cent, from $430 million to $302 million.

We need to look at why these investors are no longer selecting Canada and we must move to provide solutions to the problem. Why are they going to South America? Why are they going to Southeast Asia? The common feeling is it must be because of the environmental differences. I do not think that is the case. That may be a small component of it but more and more it is a direct result of government red tape.

We have three and in some areas four different levels of government. These companies have to go through an enormous amount of red tape to get anything done. It should be a primary role of anybody looking at solutions to the problem to deal with the whole question of red tape.

In 1994 the total contribution to the Canadian economy from mining equalled $19.1 billion. We must also remember this is a cyclical industry; it has ups and downs. In 1992 and 1993 alone 44 Canadian mines closed while 22 opened. We can see the trend is not in the right direction.

• (1745)

The requests that have been put forward by Keep Mining in Canada are not only logical but they are very plausible and workable. The Keep Mining in Canada campaign, supported by the industry, has laid out 10 reasonable points that it feels, if achieved, would help its industry.

The Standing Committee on Natural Resources when chaired by the member for Kenora—Rainy River conducted extensive hearings with all the stakeholders which resulted in the setting out of nine key recommendations committee members felt that if followed through on would help the industry.

They talked about streamlining the federal–provincial environmental regulations, which only makes sense and I know the Minister of the Environment is working in that area now; implementing an appropriate incentive to stimulate grassroots mineral exploration, and I know some hon. members do that sometimes as well; changing the tax laws on mine reclamation funding; establishing processes for land use planning that respect mineral tenure and ensure both the protection of Canada's heritage and access to the mineral resource development. We have to be able to balance those two. I know the parliamentary secretary will be happy to tell us following my speech how the minister is working in that area.

Overlapping jurisdictions also have a negative impact on investors. Much time and money is spent by companies filling out separate forms for either municipal, provincial or federal levels of government. They always seem to have different guidelines. These companies have to jump through a number of

hoops. Surely our governments can work together and come up with a single window and a single set of regulations which these companies can follow.

Canada also must implement an appropriate incentive to stimulate grassroots mineral exploration. By improving the tax laws and reclamation funding we would be promoting good environmental management. I know the member for Davenport wants to talk about that a little later.

The taxation of money put into trust by a company to meet future demands for mine reclamation should definitely be one of the items the government should look at. I am sure the member for Davenport will have something to say about that.

The last item I want to consider today in my last few minutes is the topic of establishing a process for land use planning that respect mineral tenure to ensure both the protection of Canada's natural heritage and access to mineral resource development. Mining is part of our heritage and we must ensure that it is accessible and that its terms can be met.

A commitment to supporting the mining industry does not translate into excess money being spent. Many incentives can be implemented that are not costly but which would encourage exploration and development. I talked about a few of these incentives in my speech. I urge anyone who seriously considers what is being voted on today to take a look at this. This is a votable item. It is a serious item. It is serious in the sense that it helps our program to develop and create jobs in this country.

We are voting today on the very survival of the mining industry and the demise of the communities that mining supports. Mining has always been a very important part of our heritage and I hope we will keep it.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the motion we are debating today says that the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

Mining is one of the most important industries in Canada. It deserves the government's attention. It pays the highest average wage of any industry in the country which is over $200 a week higher than its next highest wage category of transportation and communication. Mining products total 15 per cent of our exports. It is a very important industry.

Investment in the exploration of new mines is less than half of what it once was in the early 1990s. In real dollars investment in the early 1990s was around $800 million annually. This year it is expected to be $300 million or maybe less. Exploration and development have fallen drastically because Canada has failed to provide a favourable investment climate.

• (1750)

Canada used to be a world leader in mining activity, but that leadership is in jeopardy. Other nations now offer a more favourable environment for mining companies. Canada has fallen from first to fourth place in attracting new investment. We have not opened a major new mine in the last five years. We need to address the problem quickly, not by the year 2000, not within the term of the government's mandate. We need to start now to turn the situation around.

The motion before us speaks about incentives for the mining industry to stimulate exploration and development. What kind of incentives are being talked about? Is it some huge program of cash rebates? Are costly tax breaks needed so that the industry can flourish once again?

I intend to support this motion but I want to make sure to let members know what we mean by incentives. For the Liberal or the socialist, an incentive is some kind of government assistance. It is a handout. It is a grant, a transfer or a tax shelter that is big enough to overcome the disincentives that are found in the industry. If there is over–regulation, for example, the government handout will be enough to induce companies to overlook inefficiencies in the system.

These types of government programs are like giving an oxygen mask to someone who is choking instead of just loosening the rope that is hanging around the neck.

For the free enterpriser, the entrepreneur who is a self–starter, an incentive is not a grant from the government where it picks some winners and losers in the industry. An incentive is merely an opportunity.

If I know miners at all, they are free enterprisers. They are risk takers. They are self–starters. They do not want special help. They want a level playing field and an opportunity to show their skills, develop the resources for the good of the country and for their companies.

We were talking with someone from a major mining association who represents mining companies yesterday. He told us that the industry is not looking for handouts. That is not what it needs. The industry is looking for the government to get out of its way so that it can get on with doing what it does best.

I am supporting this motion today because that is what I mean by incentives. I mean deregulation, not in a way that harms the environment, but in a way that makes government approval processes more efficient.

Government departments and different levels of government should communicate with one another to harmonize contradictory or overlapping legislation. Right now this is Canada's problem. The government strangles the industry with red tape,

then someone wants to come along and give the industry an oxygen mask of government incentives. We say, take off the red tape and the industry will be healthy again on its own.

Today we had a representative from the Mining Association of Canada appear before the standing committee. He said: "The current regulatory system is choked with red tape. Regulations, guidelines and decision making processes duplicate and contradict each other from one department to another and between the two levels of government". We have to solve this problem.

The industry also needs security of land tenure and security in Canada's legal regime. Mining companies have to know that when they start a project they are going to have an opportunity to finish it.

Security is also necessary in the new environmental assessment process. The government has made wonderful noises about this problem. I am sure the hon. parliamentary secretary is going to try to sum this up.

The Minister of Natural Resources has said many of the right words to the industry and made many good promises. The red book, the Liberal mining platform and the White House mining initiative are all full of great words.

The industry minister promised action on streamlining regulations this year, 1995. However, to quote Greg Waller, an executive with Cominco, obviously exasperated with the government's lack of action to date, says: "The mining industry is getting impatient with the empty words".

An example happened this last week. I received copies of two separate letters from the provinces addressed to the Minister of Natural Resources, one in September and one in October, requesting, almost pleading for a meeting between the minister, the Minister of Intergovernmental Affairs and their provincial counterparts. They did not even get the courtesy of a reply from the Minister of Natural Resources until a provincial minister talked to me late last week.

• (1755)

I raised the issue in the House last week. I find out now the minister had a conference call with the intergovernmental affairs minister and the provincial minister. That is a start. It is a shame it takes two and half or three months to arrange a simple teleconference call among three parties who say they are interested in getting to the bottom of this regulatory problem.

There was a good presentation on regulatory reform in committee today. There were some specific recommendations and reforms that would help the industry. Many of those ideas were adopted by an all–party committee in last year's report "Lifting Canadian Mining Off the Rocks". These all–party resolutions were brought to the government. They were recommendations from all sides. Not a single one of those recommendations has been adopted to date.

Again, they are good words, nice words, but we do not need more words. We do not need more committees. We do not need more studies. We do not need more talk. We do not need more task forces. We do not need government inquiries. We do not need empty promises. We know the problems. We know what to do to fix them. What is needed right now is not knowledge, more ideas. We need the political will to get the job done.

Here is part of the conclusion from today's presentation by the mining association: "Real progress requires the removal of costly regulatory systems that are process based rather than performance or results oriented. This implies a willingness by the federal government to let go of outdated and expensive centralist systems. It is a willingness which has not been expressed in concrete action to date".

We need to get away from an expanded role for the federal government in the mining industry. The federal government must get off the industry's back and out of its pockets and allow the industry to rise to the prominence it should have. That should be left primarily with the provinces and the federal government should remember that.

We are dealing with two philosophies of government. Is the role of the federal government an ever increasing one or should it take heed from what the industry, the provinces and many Canadians are saying? They are saying the role of the federal government is not to continually expand into areas of provincial jurisdiction; the role is to see where there is overlap and then to withdraw and allow the provinces to get the job done.

The Minister of Natural Resources has been politely applauded for saying the right words to the natural resources community. She talks the talk, but can she walk the walk? Her political honeymoon with the industry will soon be over unless she produces results to act on the good intentions she has expressed.

The problems with regulatory reform are the first test of this minister's real political will. Will she be able to overcome her colleagues around the cabinet table who are calling for natural resource industries to sit on their hands watching as sustainable development slowly devolves into sustainable preservation? I hope she has that will. I hope she will be able to stand up to her colleagues, stand up for a more rational approach to environmental assessment, stand up for Canadian jobs and expertise and development.

I call on the minister to back up her words with some action starting today. Provide the only real incentive the Canadian mining industry wants and needs which is substantial, positive regulatory reform. She knows what has to happen. Let us see it happen. Let it happen now.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I wish to congratulate the member for Timiskaming—French River for his forceful introduction of this motion and for his keen interest in the importance of the mining industry.

The motion before us urges the government to adopt the recommendations of the report of the Standing Committee on Natural Resources entitled "Lifting Canadian Mining Off The Rocks" and urges the adoption of a new program of incentives.

It seems to me that at a time of budget austerity and restraint it would be wiser not to seek new tax incentives and subsidies. It is true that the mining industry is an important part of the Canadian economy. It is true that the past recession has proven difficult for the mining industry, but the resource sector has returned to profitability. For example, Barrick Gold Corporation of Toronto posted record profits of $250 million in 1994, up 17 per cent from 1993.

In addition, as the member for Timiskaming—French River pointed out at the beginning of this debate, there was a substantial increase in exploration activities throughout Canada in 1994, 9.1 per cent or $3.3 billion above 1993 according to the Minister of Natural Resources and the press release which she issued on February 9, 1995.

• (1800)

On page two of the report I mentioned earlier we find the following statement: "An application to build a mine in Canada, for example, can take up to four years to make its way through environmental assessments, in contrast to a mere six months in Chile". Are we to conclude that Chile has a more advanced environmental assessment process than Canada, or that Chile is providing greater environmental protection than Canada?

Environmental assessment regulations and legislation and the cumulative impact assessment are essential parts of sustainable development. They are here to stay. They are safeguards on human and environmental health.

The report goes on into great detail on issues of tax reform. It is silent on the cost of tax incentives not only in terms of forgone revenue but in terms of potential damage to water, soil, and air. This, I submit, requires attention.

The concluding paragraph of the report on page 11 is also important because it reveals a big gap between the position of the mining industry and that of the government. The paragraph states: "Governments must strike a much more realistic balance between environmental considerations and the economic viability of the industry".

This idea of balancing environmental and economic considerations runs counter to the Brundtland definition of sustainable development and the position of the government in the red book and also paragraph 6(a) of the Department of Natural Resources Act, which calls for the sustainable development of Canada's natural resources.

Balancing environment and economy is not sustainable development because it separates the two, running the risk of making policy decisions that give precedence to the economy over the environment. The mining association must realize that the Department of Natural Resources has a mandate to integrate the environment and the economy, as defined in the red book.

Regarding federal and provincial overlap and duplication, it is important to act on what is known. In the late 1980s the federal government delegated authority for the monitoring and enforcement of mining regulations to the provinces. In his 1990 report the then auditor general Kenneth Dye stated: "In the one area where the federal government has already delegated monitoring and enforcement authority to the provinces, there has been a serious deterioration in compliance. A review of the metal mining liquid effluent regulations issued under the Fisheries Act indicates that compliance fell from 85 per cent in 1982 to 48 per cent in 1988". This conclusion seems to be important and should be kept in mind when we hear calls for voluntary programs to reduce emissions.

Voluntary programs such as the accelerated reduction and elimination of toxics, ARET program, are not substitutes for regulations. This conclusion is substantiated by a 1994 Kellogg Peat Marwick management survey, which found that 95 per cent of respondents from Canadian organizations cited compliance to regulations as the principal motivator on environmental issues, while only 16 per cent cited voluntary government programs as a principal motivator.

The suggestion that greater investment incentives to the mining industry should be offered at a time when governments are desperate for revenues is not synchronized with a government agenda attempting to reduce deficit and debt. Instead, it would be preferable to ensure sustainable development in a variety of ways, including an efficient management of minerals, for example, by ensuring that recycled materials and virgin materials are treated equally under the tax system.

It is important to note that a 1994 study entitled "A Comparison of Tax Incentives for Extraction and Recycling of Basic Materials in Canada" concludes that there is a potential bias in the tax system toward the use of virgin materials relative to recycled materials. This bias ought to be addressed and corrected.

In addition, to ensure sustainable development we could consider programs aimed at new technologies for mineral extraction and environmentally sensitive exploration methods and equipment. We could ensure that regulations aim at environmentally responsible exploration methods and that the regulations are enforced. We could ensure that exploration, mining operations, and reclamation projects are conducted in an

environmentally sound manner and do not compromise vital land uses such as ecologically sensitive areas and parks.

• (1805)

Mining and sustainable development can be integrated for the long term benefit of Canadians and the economy.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, I am pleased to address the House today on Motion 292, which would require the government to consider a new program of incentives to encourage exploration and development in Canada. In part the question is the definition of incentives and what that actually means.

[*Translation*]

I would like to thank my colleague, the hon. member for Timaskaming—French River, for having brought these important matters to the attention of the House.

[*English*]

Mining makes an enormous contribution to the Canadian economy and way of life, representing a vital source of employment in more than 115 communities throughout the country. It provides direct jobs for more than 300,000 Canadians and contributes more than $20 billion to the economy every year.

Moreover, mining activities have a significant indirect effect on the Canadian economy, from the small local supplier to the specialized financial institution in Toronto, Montreal, or Vancouver. For every job created in the mining industry an additional job is indirectly created in other sectors of the Canadian economy.

The Canadian mining industry is known throughout the world for its leadership in developing and applying state of the art exploration and mining techniques and technologies. We are very proud of the expertise that was developed here in Canada to take full advantage of our rich mineral endowment.

The government appreciates the key role of mining to our economic well–being. However, we are also aware of the challenges the industry has been facing, especially from increased global competition and mineral investment. We must meet these challenges by working with all the mining stakeholders to sustain the vitality of the industry and provide conditions that will foster its growth.

In our opinion, the best way to support and encourage the mining sector is to reduce the level of long term structural impediments to mineral investment. Many of these impediments were identified by the Whitehorse mining initiative, which saw the federal government, along with the representatives of industry, provincial governments, environmental groups, labour unions, and aboriginal organizations, come to the table to work together. A consensus was reached and the WMI leadership council accord was signed in September 1994, which outlines agreed upon principles and goals to guide the development of mining in this country.

To help develop an action plan to address the WMI issues that fall within the jurisdiction of the federal government, the Minister of Natural Resources established a private sector ministerial advisory committee. One of its first tasks is to provide commentary and advice on the sustainable development of mineral, mines, and metals issues paper the minister released in September in Vancouver. This release fulfils a promise the minister made. After discussion on the paper, the minister will work with the stakeholders to develop a mineral and metal policy for consideration by cabinet.

To address the most fundamental industry concerns we introduced a measure in the 1994 budget allowing a deduction for mine reclamation trust fund contributions. Our commitment to mineral development was also reaffirmed when the mining sector was identified as one of the six key sectors where the government wants to see significant improvement to the regulatory regime. Furthermore, our natural resources standing committee is currently examining this very issue.

Some specific areas where we are working to make tangible long term improvements include administration of the Fisheries Act, land use and related decision making, the definition of waste, regulatory regimes north of 60, regulatory impact analysis, and toxic management policy and practices. Important improvements on issues of overlap and duplication could also be achieved through various initiatives to harmonize federal and provincial regulatory regimes.

On October 19 Natural Resources Canada and the Mining Association of Canada co–sponsored a seminar on regulatory streamlining in order to help identify concrete ways of accelerating progress on these issues. In support of the same objectives for jobs and new investments, NR Canada has been marketing Canada's mineral opportunities in Canada and abroad in an effort to attract much needed capital investment for our mineral industry.

• (1810)

The Minister of Natural Resources is a strong champion of the Canadian mining industry. Earlier this year she participated in the international "Investing in the Americas" conference where she vigorously promoted Canada as an attractive country for mineral investment.

[*Translation*]

These efforts are very important, because investments are essential to ensure the industry's future.

[*English*]

We know that Canada's geography and geology are attractive. Exploration levels have recently started to recover, thus reflecting increased confidence in Canada as a mining country.

The 1995 budget must be counted among our efforts to help solve the problems of the mining industry. By forcefully proceeding to put our economic house in order, we are sending a clear signal that we want to regain control of our country's finances. The measures implemented in the last budget will result in more favourable investment conditions in Canada, which will certainly benefit the mining industry.

The government remains committed to a prosperous mining sector in Canada and promotes actions that are consistent with our budgetary objectives and the efficiency of the federation. Mining, more than most industries, is global. The influence that Natural Resources Canada exercises in national and international fora makes a significant difference to the sustainable development and competitiveness of the industry. Our science and technology and our policy investments are cost effective and bring benefits to Canada in all regions.

The initiatives I have discussed are fundamental critical steps that will result in greater levels of certainty for the mining investor. This government understands that reality. We will continue to work in partnership with provinces and territories to ensure that our geological potential is fully realized and Canadians have an opportunity to benefit from a strong mining industry.

The government appreciates the important contribution the mining industry makes to our country's job creation and economic growth. We understand the challenges that face the industry today. This government is following a policy agenda to put in place an attractive investment climate that encourages and supports a prosperous mining industry committed to sustainable development.

The Acting Speaker (Mr. Kilger): The hon. member for Timiskaming—French River, under whose name Motion 292 stands, has asked the Chair if he could close the debate on this motion under his name, with the understanding that he would only take two minutes and at 6.15 p.m. the Chair will put the question. Is there agreement?

Some hon. members: Agreed.

[*Translation*]

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I will be very brief. First of all, I would like to thank all of my colleagues in the Bloc and the Reform Party, and all my colleagues in the government, who have spoken so eloquently on this motion and particularly on the importance of the mining industry in Canada.

I think that we all, as parliamentarians and as federal politicians, acknowledge the importance of this industry to Canada. It is wonderful to see all parties supporting this motion and I thank you for doing so.

[*English*]

The Acting Speaker (Mr. Kilger): It being 6.15 p.m., pursuant to Standing Order 93, the time provided for debate has expired.

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

Some hon. members: Agreed.

(Motion agreed to)

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, if you were to seek it I think you would find unanimous consent to call it 6.30 p.m. and proceed with the adjournment debate.

The Acting Speaker (Mr. Kilger): Does the House agree that we proceed with the adjournment debate?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

INTERNATIONAL CRIMINAL COURT

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, on September 29, 1995, I asked the Minister of Justice whether he and the Canadian government supported the proposal for an international criminal court and, if so, what they were doing to advance this proposal. While the minister gave me a very positive response on that date, I want to pursue this further in order to put more details on the record of the House with respect to the proposed international criminal court.

Right away I should clarify the difference between the International Court of Justice, that is, the world court presently sitting in The Hague, and the proposed international criminal court.

The existing International Court of Justice, the world court, deals with disputes between the states; in other words, a dispute between the United States and Nicaragua or a dispute between Canada and Spain. If a country breaks its obligations under an international treaty a group of countries or another country may sue the accused country, the state, in the International Court of Justice. However, the International Court of Justice does not deal with international offences committed by individuals which are in violation of the same human rights treaties passed by the United Nations.

For example, although it has been 50 years since the Nuremberg trials following the second world war, nothing has been done to set up courts which can do what the Nuremberg trials did. The Nuremberg trials tried individuals who had committed war crimes during the second world war and held them responsible for their acts before the international community.

While there was a lot of talk following those trials that we should set up a permanent international criminal court, nothing was done until 1953. In 1953 a draft statute was prepared to establish such an international criminal court but it fell victim to the disputes of the cold war and never went anywhere.

However, times have changed and there has been a new initiative in recent years to once again establish an international criminal court which would hold individuals responsible when they commit crimes against humanity, crimes of genocide, crimes of international terrorism and crimes of international drug trafficking. Although such individuals might be charged before their own domestic court or before the court of the country in which the victims were found, there is more credibility if there is a standing international criminal court in which such individuals can be tried.

We can recall a few years ago when certain Libyans were accused of putting a bomb in a plane which blew up over Scotland, killing many people. There was an attempt to bring the Libyans to trial in Scotland but there was a credibility question because many individuals doubted whether the Libyans would get a fair trial in a Scottish court when the passengers were killed in Scotland. It is much better that we have an international criminal court for those kinds of offences in which the judges are from many countries, not necessarily from the country of the victims, and therefore there is a semblance of credibility and fairness.

This matter has advanced quite far. In 1994 the United Nations set up a special ad hoc committee on the establishment of an international criminal court. The ad hoc committee has met twice since last December and the whole matter seems to be well on its way.

My purpose tonight is to ask the parliamentary secretary, since the very positive response of the minister in September, whether the ad hoc committee has completed its work and has reported to the sixth committee of the General Assembly of the United Nations.

When does he expect we will see agreement to a statute setting up such an international criminal court? It will be a great step forward when this is done. I congratulate the Canadian government on the work it has done so far. I hope this whole project will soon see the light of day.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the Minister of Justice after question period today asked me if I would respond to the hon. member for Notre–Dame–de–Grâce on his initiative and his perseverance to establish a permanent international court.

Events such as those in Rwanda and in the former Yugoslavia have amply demonstrated the need for a permanent international court to try individuals responsible for those most atrocious crimes of all: genocide, war crimes and crimes against humanity.

The end of the cold war and a new found political will permit the international community to consider the establishment of such a court as a worthwhile and serious idea.

The permanent international criminal court would serve two crucial purposes. First, an important deterrent to criminal acts is the knowledge that perpetrators will be persecuted either by national authorities or by an international court.

Second, the establishment of such a court responds to desire for justice on the part of victims of these offences, thus permitting the international community to contribute meaningfully to the maintenance of peace and security by discouraging reprisals or other acts of vengeance.

Canada is at the forefront of efforts to create this court. The Department of Justice together with the Department of Foreign Affairs and International Trade and the Department of National Defence have been participating this year in two meetings of an ad hoc committee created by the General Assembly of the United Nations to review the major substantive and administrative issues arising out of the draft statute for the court.

In accordance with the recommendations the ad hoc committee will be presenting this fall to the general assembly, Canada is now pushing for the convening of an international conference to negotiate the creation of the court.

We are very proud of the contribution Canada is making toward the establishment of the court as well as our current work on cases to be tried by the ad hoc courts for the former Yugoslavia and Rwanda. I hope this satisfies the hon. member for Notre–Dame–de–Grâce who, I say again, has shown leadership on this issue.

[*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, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.23 p.m.).

HOUSE OF COMMONS

Friday, November 10, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed from November 9 consideration of the motion that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee; and of the amendment.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I welcome the opportunity to speak this morning to this bill to establish the Department of Human Resources Development. However, I am also somewhat frustrated and astonished that the government could introduce this bill for second reading after the clear message sent in the referendum that significant changes were necessary in Canada.

Although Quebecers decided to vote no and give federalism a last chance, they certainly did not have in mind the kind of action proposed in Bill C–96.

This bill illustrates the fundamental difference in perception between the federal government and Quebec. Mr. Axworthy said yesterday in his speech, and I quote—

Mr. Boudria: Order.

Mr. Crête: I apologize. I should have said the Minister of Human Resources Development instead of referring to a member by name.

The minister said yesterday in his speech: "It is decentralization of a very different kind. There has been a lot of talk about decentralization, but so far it has been a somewhat restricted debate as it talks only about decentralization in terms of transferring from the federal government to the provincial governments. Should we not also be talking about how to empower communities and individuals to make more choices? Is that not what we should be looking at in terms of decentralization? Partnership: government with the private sector, government with school boards, government with the provinces. That is the kind of philosophy we have to continually talk about because that is what works".

That is what Mr. Axworthy claims, or should I say the Minister of Human Resources Development.

• (1005)

In fact, this statement by the minister runs completely counter to the existing consensus in Quebec on manpower management. For example, I would like to quote from a 1991 letter written to the Minister of Employment and Immigration of the time by the Quebec Minister of Income Security which states: "Quebec does indeed recognize the crying need to define its own manpower policies, to establish its priorities with respect to manpower development in close conjunction with its partners in the labour market, and then to design and administer programs tailored to the needs it has set as priorities".

Further on in the letter he goes on to say "Even if the greatest constitutional harmony reigned in the country, which is not exactly the case, Quebec would make the same demands with respect to manpower, since it is so urgently necessary for Quebec's economic development that manpower programs be made efficient and tailored to Quebec's specific labour market priorities". The person saying this in 1991 was a federalist Liberal Quebec minister.

Today the federal government is tabling Bill C–96, and what is Quebec's reception to it? The Quebec Minister of Employment describes it as the final rejection of the unanimous consensus in Quebec that the federal government must withdraw completely from active manpower measures and hand back to Quebec the relevant budgets.

So far, one could qualify this as a squabble between politicians, with each one wanting to hang on to his powers; the people will be the final judges of this. But there is something peculiar to this issue of manpower: the Quebec government position is also the position of all those in Quebec involved in this field.

For instance, to quote someone who has never been identified as a sovereignist or as a backer of the present Quebec government, Ghislain Dufour, the spokesperson for the Conseil du Patronat du Québec, was still saying as recently as yesterday "It

is essential that the manpower issue be handed over to Quebec, so that there may at last be a proper policy".

He went on to say: "This is one of the cards the federal government ought to lay on the table to indicate that it has indeed heard Quebec's message calling for change".

Despite Mr. Dufour's position in support of federalism, his heartfelt cry in his apparently unflagging hope that federalism might change went completely unheeded by the federal government, which, as if it were a matter of daily routine, is presenting Bill C-96 for second reading. The aim of the bill is simply to give the federal government the equivalent of a federal minister of education.

I quote clause 6 of the bill as proof. It provides as follows.

> The powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction relating to the development of the human resources of Canada not by law assigned to any other Minister, department, board or agency of the Government of Canada, and are to be exercised with the objective of enhancing employment, encouraging equality and promoting social security.

The clause contains no reference to provincial jurisdictions or to the fact that Quebec already has a network set up to take action in the manpower sector or to the whole problem that has existed in this sector for the past five years. The government's position should be an obvious sign to Quebecers of the sort of change hinted at during the week before the referendum, without any basis or forethought, which today has been lost in the federal government's return to its old habits.

What is Quebec's claim based on? It is based on the fact that an integrated policy on economic, social and political action, means that the government assuming responsibility, for instance for education, for the Quebec labour code which covers 90 per cent of workers in Quebec, for occupational health and safety, for labour standards, for regulating professional qualifications, professional conduct and mass layoffs—all having a direct impact on jobs—should control the other aspects, as well, such as training, the way we prepare our workforce for the challenges of the globalization of the marketplace and of new technology.

It is rather like taking away half its tool box and thus preventing it from doing its job in a area that is critical for the future.

• (1010)

I would like to give you more examples. I mentioned Mr. Dufour, from the Conseil du patronat, but a similar plea was voiced, last week, by Gérald Ponton, the president of the Quebec manufacturers' association, who cannot be accused either of being a sovereignist or a proponent of Quebec's independence. Mr. Ponton made the same kind of remark as Mr. Dufour. He even said that, during the referendum campaign, people everywhere in the field were saying: "If they give us control over manpower or such and such an area, that might make it worth our while to listen to what is being said". This man speaks on behalf of manufacturers, people who must adapt to changes on a daily basis. They never said that the federal government was the best level of government to deal with this. They are saying the same thing as the people from the job forum and the Société québécoise de développement de la main-d'oeuvre. They are telling us that it is imperative for Quebec to have control over manpower management in the province.

I suggest that bringing Bill C-96 forward at second reading stage, as the federal government did, is somewhat of an affront not only to the Government of Quebec, but also to the people of Quebec as a whole, because, while they want changes, they want the assurance that Quebec will be able to control these major aspects of its development. We notice the same kind of attitude at the Canadian Institute of Adult Education, another group seriously involved with training, which asked the federal government to withdraw Bill C-96.

How did this kind of approach come about in Quebec? Because Canada—and this fact was recognized by the OECD—is considered as some sort of testing ground, given its dismal track record in manpower training. It is characterized by the fact that we have hundreds of thousands of jobs available in Canada but at the same time more than one million people are out of work. The system is responsible for this mismatch between the number of jobs available and unemployed workers, because it should be possible to have only structural unemployment, caused for example by individuals quitting one job for another or by temporary situations arising from layoffs or other changes in the industry.

But that is not the situation at present. We have a large workforce that has never been trained properly. And this cannot be blamed on Quebec achieving sovereignty, since it has not taken place yet. The present situation is the result, the doing of the current system. It was produced by this system. One of the most striking realities is how differently UI recipients are treated compared with welfare recipients or, even worse, with those who fall between the cracks.

Canada has no integrated policy on how people looking for jobs should be treated. Our very sectoral approaches have led to results such as the last UI reform. The federal government has found two ways of dealing with its budget responsibilities and very tight fiscal constraints. To reduce its UI costs, it increased the number of weeks required to qualify for UI benefits and reduced the number of weeks of benefits.

It then ended up with a UI fund surplus of $5 billion this year. At a time when our unemployment rate exceeds 11 per cent, is a UI fund surplus the best option? Is generating a surplus to be

used by a bureaucracy that has already proven its ineffectiveness the best way to create jobs?

At the same time, the provincial governments, which are also struggling with budget constraints, are responsible for welfare and systematically trying to keep social assistance costs as low as possible. Employment programs are therefore created so that people can go on unemployment insurance. But these jobs are not permanent. They are just a temporary measure.

We are caught in a vicious circle. If we had a single level of government responsible for the whole manpower issue, including welfare recipients in the labour force who are able to work, UI recipients and those falling between the cracks, its sole objective would be to make the best possible use of human resources and not to reduce welfare and UI costs by offloading its deficits and responsibilities onto the other level of government. Only one government would then be judged in terms of the effectiveness of its manpower policy.

• (1015)

Why is it necessary that Quebec be responsible for that sector? Realities vary widely in the Canadian economic space. For policies in the social, regional development, manpower, health, housing and employment training sectors to be adequate, they must be geared to the environment in which they are apply. They must also be effective.

It is not true that a single policy for the whole country can be effective, given the differences between regional economies. For example, the Maritimes and Quebec's eastern region have an economy which is largely dependent on natural resources and which, therefore, has fostered the development of a large number of seasonal industries. If you apply a national policy to these regions, you only generate disillusion, as is now the case. Moreover, many investments have been made year after year in these regions, but they simply did not produce any result. This can be explained by a number of reasons, including the fact that responsibility for the manpower sector was not delegated to the appropriate level of government.

When you think of it, the accumulated surplus in the UI fund, which will be the primary funding source for the new human resources investment fund, is a new hidden tax. Once it realized that it could no longer borrow on foreign markets to keep trying to control everything—because international lenders were no longer willing to provide funding for that—the federal government found a new trick. It makes Canadians themselves lend money, through UI contributions.

The government is trying to use a new artificial instrument based on a mismanagement of money. If, instead of generating this $5 billion surplus, the government had left that money in the economy, do you not think that it would have helped create a lot more jobs, that it would have given much more concrete results? So today the least trained categories of workers would have the possibility of getting jobs more easily and we would not be trying to give them training for which they are not necessarily prepared.

The other element I would like to draw to the government's attention is that Bill C–96 will lead to open warfare between the Quebec educational system and others who might want to get involved in training. In fact, this may be the hidden agenda of the federal government, to demolish all of the educational tools Quebec has developed, but I believe that such educational bodies as la Fédération des commissions scolaires du Québec and la Fédération des cegeps du Québec have, nevertheless, developed original approaches that make Quebec very competitive in the world market.

The deliberate choice by the federal government to sign agreements with organizations outside these systems, with criteria that differ from those of these systems will lead, within a few years, to an incredible mess with equivalencies. Who will have trained whom? How? To what standard? And this outcome will be just one more example of federal government waste and inefficiency, at a time when we no longer have any money to waste.

This may have been done in the seventies in an attempt to put a Canadian model in place, some artificial concept of what Canada could be, but nowadays this is no longer possible, because of financial constraints and pressure from international lenders, as well as the future demands of each taxpayer in Quebec and in Canada.

There is still time for the federal government to decide either to withdraw Bill C–96 or, at the very least, to heed the clear call from all those involved in this field in Quebec for the responsibility for manpower training to be handed over to the Government of Quebec.

• (1020)

This consensus has existed in Quebec for five years, during which all players have asked for manpower to be transferred to the Government of Quebec, while the federal government—Conservative or Liberal—turns a deaf ear. We must try to find the reason for this lack of openness, this failure to listen. What is happening at the federal level that they will not respond to the demands of all those people who earnestly want to reshape federalism?

In any case, there is an aspect to decentralization that is very obvious and which the federal government refuses to recognize. Why? Because any decision to give Quebec responsibility for manpower or to give any other province the same kind of responsibility in this or other sectors would have the effect of taking power away from the federal mandarins.

The people who were appointed during the Trudeau era and who since then have generated a lot of activities and believe that solutions in Canada will come from the top down instead of from the grass roots, all these people cannot bear the thought of a policy that would turn the decision making pyramid upside down, so that not their views but only the views of the citizens of Quebec and Canada would prevail.

This government will be judged by the way it manages to shake up its senior public servants. After four years in power, the government will no longer have an excuse. It can no longer say: "The Conservatives were like that, and this is our first year and that is why nothing is happening, we have not had time to adjust". They are now starting their third year, and if the federal government does not make any changes, the record will be there for Canadian to judge.

There is another reason why C–96 is unacceptable: it perpetuates two levels of intervention in education. Today, no business in any industrial sector can afford this kind of duplication. There is a lot of unnecessary spending here.

The minister of income security in the Liberal government preceding the Parti Quebecois government calculated the cost of this overlap between Quebec and Canada at between $250 and $275 million a year. Can we afford such overlap in the future? Two hundred fifty million dollars, when, with the prebudget consultations underway, we are being told everywhere that the government has to make choices. It has to decide to be efficient where it can. It has to decide to withdraw from areas where it is not.

Here we have concrete examples with obvious results that the government's involvement in labour matters over the past 10, 15 or 20 years has been totally ineffective and has not permitted any sort of matching of available jobs and manpower. It is also an example of decentralization being a solution when you have faith in the government that is on the receiving end, that will have to take it on and that will be judged by the voters.

Bill C–96 is being criticized by the Société québécoise de la main–d'oeuvre, the Quebec department of employment, the Institut canadien des adultes, the Forum sur l'emploi, the Association des manufacturiers du Québec and the Conseil du patronat du Québec. Here are enough reasons for the federal government to withdraw it or amend it so that Quebec could have control over the management of its manpower.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I listened very carefully to the words of the member for Kamouraska—Rivière–du–Loup. He was very clear in his presentation.

• (1025)

The member began by stating that the referendum gave a clear message to the federal government. Yes, it did send a very clear message. The clear message is that the majority of Canadians in Quebec do not want to separate from Canada. That is the clear message and that is what we should be working toward.

However, the Bloc Quebecois keeps pushing its hidden agenda, which it tried to hide during the referendum. The agenda was complete separation. The sooner the Bloc Quebecois accepts this, the sooner all three parties and the independent members in this House can start working together and continue building the strong, beautiful country we have.

Yesterday we heard about the hospital closings in Quebec. That is going to hurt my family in Quebec. Why did that come out only after and not during the referendum? It would have hurt the hidden agenda of separation.

We are bringing in a bill which deals with administration rather than any substantive reform. It does not entail new organizational changes as the Bloc Quebecois tries to make us believe. It does not introduce new statutory powers or affect federal–provincial jurisdiction. I do not know why that would concern the Bloc. The bill draws together portions of the former departments of employment and immigration, health and welfare, secretary of state and all the former department of labour. Think of the savings this will bring to Canadian taxpayers. Why not pass those savings on to the people who are looking for jobs and the people who have to be re–educated?

I was an educator for 27 years. I have learned and am learning more so that education does not stop at the end of grade 8, at the end of grade 12 or at the end of university. Education is becoming a lifetime process. We are also learning that people with good professional jobs are not going to keep them for a lifetime. They are going to go through two, three, four jobs in a lifetime. Therefore they have to be retrained.

Because of the kind of environment we are in, we have to give workers the freedom to move from province to province. If they are forced to move from one province to another or they do it of their own free will, why should they be hampered because one province has a program different from another province? Why should they not be able to move from one program to another from province to province? I cannot understand why speaker after speaker from the Bloc are against this federal–provincial operation of working together to save taxpayers money, to keep building this beautiful country.

I have talked to many diplomats. I will not mention any names or countries but they are shocked at what has happened to our country. Canada is always used as a model and an example when countries move to more democratic forms of government. Now they are so let down. We are letting them down because the

model they worshipped, the country to which immigrants from all over the world want to come, is quarrelling within instead of working together.

I do not want a response, although I probably will get one. I want to leave a very clear message. The referendum did affect everyone in this House. We were elected by the people and the kind of comments I am hearing do not represent the majority of the people living in the province of Quebec. They showed that in the referendum.

Bill C–96 is not changing any statutory powers. It is not taking any powers away from Quebec or from any other province. This bill is an attempt to work together, to give programs and services more efficiently at less cost to the taxpayers.

I hope I have made my message clear. The Bloc is trying to resurface its hidden agenda and we are not going to accept it.

• (1030)

[*Translation*]

Mr. Crête: Mr. Speaker, it is easy to see the lack of understanding in this country. I would like to remind the hon. member who just spoke of a little historical fact. The sovereignist movement captured 40 per cent of the vote in 1980 and 49.4 per cent in 1995. This represents a 20 per cent increase for the sovereignists, while the federalist vote fell from 60 to 50 per cent.

If you do not see this as a very significant warning to Canada, if you do not understand the message, you will bear the consequences of this political choice for the rest of Canada, which is accusing the federal government of misleading them for two years by pretending that there was no problem to be resolved with Quebec. But there is a problem. Canadian citizens felt compelled to travel to Montreal, to make long–distance calls, because the Canadian government misled them for two years by claiming that everything was fine. If you ever go back to your old haunts, you will pay the political price.

The Acting Speaker (Mr. Kilger): Order, please. I simply want to remind the House that all comments must be made through the Chair, so that our debates can take place according to the best parliamentary tradition.

Mr. Crête: Yes, Mr. Speaker. I would like to say that, in my speech, I presented the arguments put forward by Quebec federalists. I talked about the chief executive of the Quebec manufacturers' association, Gérald Ponton, former chief of staff to a Quebec Liberal minister. I also mentioned the spokesperson for the Conseil du patronat du Québec, Ghislain Dufour, who is not known for his sovereignist views. They both agree that it is important that the federal government withdraw from manpower management. This is not mean separatists speaking, but Quebec federalists telling the federal government: "Unless you get out of there, the next time will be right one for Quebec sovereignty". That is the bottom line, and I think that the people of Quebec and Canada will be the judges of that.

The hon. member said that the bill contained no major changes, that it was a technical bill. Let me read you clause 6 of this bill.

> The powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction relating to development of the human resources of Canada—

Is that not a substantive change. Never before had the federal government dared lay down in an act that it had the power to interfere to such an extent with education, in spite of the fact that the Constitution clearly states that education falls under provincial jurisdiction. I will leave it up to the people to decide whehther this bill is a technical or a substantive bill.

The hon. member also indicated in his remarks that manpower adjustment has become important, given that people now have to change jobs often. We could not agree more on that. This is the basis for the whole argument put forward by the Quebec government, which maintains that education does not include only primary and secondary school, as it did at the end of the 19th century, but encompasses all training. That is what Quebec's position is premised on.

To conclude, I would like to say that the fact that Canada is considered as some sort of democratic model does not mean that, because there is, within this democracy, a major movement for the sovereignty of one part of the country and because this movement has a voice, we are any less democratic. People are supposed to be able to express themselves in a democracy. And that is what the people of Quebec have done and will do again, especially if the present government in Ottawa keeps ignoring the demands made not by sovereignists alone, but by sovereignists and federalists who are looking for profound changes. That is what the federal government will soon be judged on.

[*English*]

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, I am pleased to rise today to speak on Bill C–96. I am sure members know the bill establishes the Department of Human Resources Development and amends or repeals certain related legislation.

In the time I have I will focus on the labour side of the bill and the duties the Prime Minister has entrusted with the Minister of Labour. Included in the bill are clear definitions of the direction and structures of the minister and the minister's duties. Clause 107 of the bill repeals the Department of Labour Act. Clause 4, though, authorizes the appointment of the Minister of Labour.

• (1035)

According to subclause 4(2), the powers, duties and functions of the Minister of Labour extend to and include all matters over which Parliament has jurisdiction relating to labour not by law assigned to any other department, board or agency of the Government of Canada.

In other words, the Minister of Labour has all the powers, duties and functions related to labour matters under federal jurisdiction, except for staff relations and the federal public service.

So that my hon. colleagues in the House understand the extent of this jurisdiction, I will sketch a broad outline for them. The areas covered by the Canada Labour Code fall within the labour minister's jurisdiction. The code governs industrial relations, occupational safety and health, and labour standards in the federal sphere. The code applies to Canadians working in major industrial sectors such as interprovincial and international rail, road and pipeline transportation, shipping, longshoring, air transportation, grain handling, international and interprovincial telecommunications, broadcasting, banks and certain crown corporations. These are critical sectors of the economy.

Parts I and III of the code dealing with industrial relations and labour standards apply to over 700,000 Canadian workers. Part II also applies to the federal public sector so it affects over 1 million Canadians.

Through the Canada Labour Code and other initiatives of the labour branch of HRD Canada, stable industrial relations are facilitated and safe, healthy, fair and productive workplaces are promoted. In the industrial relations sphere the Canada Labour Code has long been recognized as a model that successfully balances the rights and responsibilities of both labour and management.

Application of the Canada Labour Code is the minister's major responsibility, but several other acts and policies fall under her jurisdiction. Among these is the Canada Centre for Occupational Health and Safety. The centre disseminates occupational health and safety information across the country and plays a key role in protecting the lives and health of workers in Canada.

Other statutes that fall in whole or in part under the labour minister's jurisdiction are the Fair Wages and Hours of Labour Act, the Government Employees Compensation Act, the act respecting the Hudson Bay Mining and Smelting Company, the Hazardous Materials Information Review Act, the Merchant Seamen Compensation Act, part II of the Status of the Artist Act, the Wages Liability Act, the Non–Smokers' Health Act and the Corporations and Labour Unions Liabilities Act. All these deal with matters of security, justice and equity, basic entitlements of all Canadian workers.

The only function not carried over from the old Department of Labour is the program for older worker adjustment. This is the only responsibility that will be carried out elsewhere. On the other hand, the Minister of Labour could have added responsibilities under the Employment Equity Act once Bill C–64 has received royal assent.

Given the broad scope of the labour branch, members may wonder why we want to merge into Human Resources Development. It is a logical way for the federal government to meet the challenges facing us as we enter the next century. By merging the two departments into one we want to give concrete form within a single structure to an integrated vision of all various issues relating to the work world and social security.

If the development of our human potential is to be successful it has to be seen as a continuous whole. Society has undergone great changes and we have to adapt. An integrated and unified structure will obviously allow us to do that.

We can no longer succeed in helping Canadians achieve their full potential by creating artificial bureaucratic categories for each of their needs. Nor can we respond to people's needs by losing them in the red tape of poorly co–ordinated government programs. Intelligent and careful integration is necessary but it does not preclude flexibility in procedures, enforcement or service to the Canadian public.

• (1040)

We need an administrative structure that allows us to deliver services in an efficient manner and at a reasonable cost, taking into account both the financial restrictions facing us and our moral obligations toward the Canadian public. By rationalizing resources under the Human Resources Development banner we can and will achieve this goal.

As well, we need a structure that fosters partnerships with the provinces, the industrial sector, the labour movement, the academic community and community groups. We have made great progress toward this and we will go even further under the new act.

The model proposed here is similar to that in several provinces. Integration has already taken place in Quebec, New Brunswick and Newfoundland. Since we are integrating departments some members might wonder why we need a labour minister at all. I will explain that rationale.

We have had labour ministers throughout most of our history. It was the previous Tory government, which did not care much for the views of working Canadians, that eliminated the post. I am concerned the Reform will get the opportunity. The government believes that labour matters deserve special attention, and rightfully so.

The labour movement, labour–management relations, workplace conditions and equity for all workers are probably more important today than they have ever been in the past. For these reasons Bill C–96 provides for the appointment of a Minister of Labour. There is no separate bureaucracy or infrastructure, just a minister who can devote her time to the concerns of working Canadians.

The minister uses the services and facilities of the human resources department. This keeps costs and duplication down without depriving the ministers of the tools needed to deal with their responsibilities.

Last February the Prime Minister appointed the current Minister of Labour. Without waiting for the bill before us to pass he wanted to assure working Canadians that we were ready to deal with urgent and pressing matters affecting Canada's labour situation.

I will outline some initiatives already undertaken by the minister since last February. In the area of industrial relations the minister continues to firmly believe in a free and open collective bargaining system which places the onus on labour and management to be responsible for resolving their own disputes.

Where they are unable to do so, assistance is provided by the federal mediation and conciliation services of the labour branch at Labour Canada. The FMCS has had an astonishing track record, one that most people probably do not realize. Over 90 per cent of disputes referred to it are resolved without work stoppage.

Throughout the world our federal system is seen as a model of balance and effective labour legislation. To have competitive and productive workplaces we need effective labour–management relations. To assist employers and unions to build effective communication channels the FMCS has developed a preventive mediation program which has been well received by its clients.

The minister has undertaken two significant initiatives to ensure that our industrial relations system continues to set standards for the rest of the world. In recent years a number of labour disputes on the west coast have required the intervention of Parliament. In May the minister appointed an industrial inquiry commission to study industrial relations in longshoring, grain handling and other federally regulated industries at west coast ports. We expect to receive the commission's report later this month.

In June the minister established the Sims task force to conduct an independent review and recommend improvements to part I of the Canada Labour Code. The task force will identify options and make recommendations for legislative change with the view to improving collective bargaining, reducing conflict and facilitating labour–management co–operation, ensuring effective and efficient administration of the code and addressing the changing workplace and employment relationships.

• (1045)

The task force is consulting at this moment with labour and management groups that are subject to the code and is scheduled to report to the minister by December 15 of this year.

In the area of occupational health and safety, we are working to better harmonize our legislation and regulations with the provinces and the territories. In co–operation with them, we are trying to achieve greater uniformity throughout the country with regard to this issue. This is a win–win scenario for workers and employers. We all stand to gain through increased efficiency and savings resulting from a reduction in overlap.

To further this initiative we are conducting two pilot projects. One is aimed at harmonizing the provisions of the Canada occupational safety and health regulations dealing with diving and confined spaces, while the other involves the field of ergonomics.

I have already mentioned the review of part I of the Canada Labour Code, but we also are planning to revise parts II and III. In co–operation with our various partners we are seeking to modernize the code to better reflect the requirements of today's labour environment. Consultations are under way and labour and management have approached the revision process with energy and enthusiasm.

Like all government organizations, the labour branch is reviewing all of its activities and methods. This review will help us to pinpoint more ways to increase both the quality and cost effectiveness of the programs and services we deliver to Canadians.

The labour program also has international obligations. The adoption of the North American agreement on labour co–operation led to the establishment of a relatively new component within the program. The agreement is aimed at promoting co–operation and guaranteeing effective enforcement of labour legislation by Canada, the United States and Mexico. The labour branch opened a national office to implement the agreement in Canada not too long ago. This is welcome news.

I am providing members with a sampling of the many activities currently carried out by the labour branch. These examples show that restructuring has in no way impeded the work of the branch. In fact, it has energized it. Since integration, the labour branch is vital, invigorated, and better able than ever before to make a strong contribution to the lives of working Canadians. Its integration within the Department of Human Resources Development ensures a healthy continuity and an integrated use of the resources available to promote the economic and social well–being of Canadians. In my mind, integration makes a lot of

sense. It is not just some arbitrary measure, but a decision made necessary by the times in which we live.

The work of the labour branch cannot be done in isolation from considerations involving Canadians who are on unemployment insurance and employment programs. The challenge is to harmonize and co–ordinate all of our federal programs dealing with human resources. To meet that challenge we are guided by a logical and coherent vision.

The bill before us offers the best of both worlds. It entrenches the powers and responsibilities of a full fledged Minister of Labour while at the same time placing the labour branch within a broader context, producing definite benefits for the government and for all Canadians.

Without hesitation I ask my hon. colleagues to support this important piece of legislation, which confirms what already exists: a very good and solid labour department in this country, which has done an exceptionally good job up to now as far as the rest of the world and Canada are concerned.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I would like to put a question to the hon. member, who is an expert in labour relations and who knows a great deal about the human resources issue. We all acknowledge the great expertise of the member in these sectors.

• (1050)

Earlier today, we heard a Bloc member claim that this bill would give new powers to the federal government, that it was a centralizing instrument used by the government, or some nonsense to that effect.

Could the hon. member tell us if it is true that the bill gives new powers to the federal government? Is it not a consolidation of existing laws on the sharing of powers between the two ministers responsible for human resources, namely the Minister of Human Resources Development and the Minister of Labour? Is it not true that the bill does not give any new power, does not centralize anything, and that, once again, the Bloc Quebecois' claims have little to do with reality?

[*English*]

Mr. Nault: Mr. Speaker, I thank my colleague for the question.

In the last couple of days I have had the opportunity to listen to the Bloc on this bill. I have to admit I am saddened that members opposite have continued to make suggestions to their constituents that are factually incorrect.

If we look at what the Department of Labour is doing, it is just the opposite of what is being said by the members of the Bloc Quebecois. Let me give an example. As I mentioned in my speech, under health and safety we are going to be devolving powers and co–operating with the provinces. We have already entered into an agreement with Quebec to harmonize the way we deal with health and safety as it relates to federal and provincial jurisdictions. In essence, we have done what the Bloc is arguing we have not done, which is to decentralize to a certain extent the powers of the federal government under labour to the provinces to deal with certain areas like health and safety.

I do not know why the members opposite continue to do this. Sooner or later someone in Quebec will start paying closer attention to what is going on in the House and start picking up the bills and reading them, only to find out that they are being misrepresented by these individual members across the way.

Anyone who has been around as long as you and I have been, Mr. Speaker, will know that most people pay very close attention to what takes place in their country as it relates to the laws. These laws we are passing, which the opposition continues to suggest go in a totally opposite direction—that they are new powers and we are going to be stepping all over the provinces—sooner or later will show that we are working very hard to co–operate and do just the opposite.

I want to give the Bloc a challenge in my final comments. I would like the members to change their approach of trying to get Quebecers not to like Canada. If Quebecers are to leave they should leave for other reasons than the fact that the federal government is not trying to do a good job. Quite frankly, that is the furthest from the truth I have ever seen.

The Acting Speaker (Mr. Kilger): It certainly would not be for me to debate with the hon. parliamentary secretary as to how long we have been here, but in light of the fact that a few days ago we marked the 30th anniversary of the members for Renfrew—Nipissing—Pembroke and Notre–Dame–de–Grâce, I submit that we have not been here all that long.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I have listened to this debate now for a couple of days. I have heard how much things are going to change for the better in our social programs and so on. After almost three decades of overspending by Liberal and Conservative governments, we have amassed $565 billion in debt; that is 565 thousand million dollars. In the last two years this government has overspent its income by approximately $80 billion, adding to that debt.

The Canada pension plan has in it about two years' worth of payouts, about $40 billion, all invested in low yield provincial bonds. The fund, if pensioners were to be fully paid out, would have to have about $550 billion in it, which it does not. It is another liability over and above the $565 billion we owe in operating costs.

• (1055)

If the government is to look at social programming and improve the Canada pension plan, for instance, how will it do that with the burden of a $565 billion debt, a liability in the Canada pension plan and a deliberate plan of overspending? How will it happen without the government coming to the conclusion that something must change, perhaps even looking at premium increases and benefit reductions? Is that what the government will do? How will it get around being held accountable, like the last group that was over there?

Mr. Nault: Mr. Speaker, since I know Reform Party members a little better than I know Bloc members, because I have to deal with them on a regular basis in my neighbourhood, I will tell the House what impresses and intrigues me the most about them. They came to the House with a particular focus and a promise they made to their constituents. I was in one of those ridings where they made that promise. They were going to be different. I frankly found that they were quite different. They were the most partisan group I have ever met in my life.

One of the questions posed to us during the last election campaign was why not become more like those Reformers, who are non–politicians, who will ask questions of substance. I will see if I can answer the question.

The member and his party have been spinning this scenario that the world is coming to an end in Canada and it is all going to fall apart unless we go as far to the right as we can, that everybody in Canada has to start paying massive user fees, including the seniors and the poor, because we cannot afford to tax anybody any more and our debt is so bad that we are going to sink under this big huge debt and some other country will have to bail us out.

We all know that is not true. I will try to explain this to the members across the way. I had the opportunity to sit on the committee that reviewed the pension plan with actuaries. Under the legislation we have to review this every five years. I spent some time looking at how we were to restructure it. During that time, with all the experts in front of us, never did one of them say this program would collapse under a particular problem of liability and having no money.

The problem with the individual across the way is he does not want to hear the truth about how the program works. These individuals across the way have no program or suggestions on how to run Canada. Their doom and gloom scenario, as with Klein and others, is to cut the government adrift, get rid of the government and let some right–wing business corporate elite look after it so they will not have to.

Mr. White (Fraser Valley West): It is okay, be happy, you have your pension.

Mr. Nault: Yes, I have my pension. Quite frankly, I am proud that I have earned it. I will be here for a long time before I get to collect it. At least I pay tax. A lot of the boys across the way do not pay any tax. There is an individual there from Ontario, our multi–millionaire friend, who does not pay any tax.

If this regional fringe party can articulate its vision of Canada and get higher than 10 per cent in the polls, then maybe we will start to look at some of its ideas. To date it is so far down that no one in the country is taking it seriously, including the people in my riding.

The Speaker: It being 11 a.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

WOODSTOCK MEMORIAL FOREST

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, recently I attended a special event in my riding, the second annual memorial service held outdoors at the Woodstock Memorial Forest. Over 300 people attended.

This memorial forest was established by the city of Woodstock, the Upper Thames River Conservation Authority and a local funeral home. Twenty–three acres of conservation authority land has been set aside for the forest. The trees planted are chosen from original Carolinian species indigenous to our region. Each tree commemorates the life of a citizen who has died.

The Woodstock Memorial Forest was started in recognition of the depletion of the earth's forests. Trees provide shelter for wildlife, control soil erosion, provide shade, remove carbon dioxide and provide oxygen. The beauty and grace of these trees enhance our environment and stand as living memorials to the memory of our loved ones.

I suggest my colleagues encourage such forests in their ridings.

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[*Translation*]

REMEMBRANCE DAY

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, tomorrow we will celebrate Remembrance Day. Over 100,000 young Canadians and Quebecers gave their lives during the two world conflicts, and hundreds more died in Korea and in various peacekeeping missions.

Such is the price that we have had to pay for of our strong belief in the values of democracy and peace. And it is because they also shared these values that our young soldiers fought all over the world.

We remember the sacrifices and the self–abnegation of those to whom we owe this legacy of freedom and democracy. Again, we want to pay tribute and express our gratitude to those who

gave their lives, as well as to those who were prepared to do so for such a noble cause.

Let us honour their memory.

* * *

[*English*]

REMEMBRANCE DAY

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, tomorrow Canadians will stop to remember those who served and those who died in the world wars and the Korean war as well as the peacekeepers who have served on United Nations missions since 1947 and the many Canadian forces' members who over the years have given their lives in service to our country.

The spirit and sacrifice of these men and women have been dedicated to preserve the freedom and peace we cherish today. None gave their lives willingly yet all voluntarily put themselves in danger.

In remembering, let us be mindful of the political turmoil and circumstances which led to conflict and be attentive to our responsibility to learn and profit from that history. The wreathes laid at the National War Memorial and others across our nation must cause us to remember so that those lives were not given in vain.

As we pay tribute to the men and women of the Royal Canadian Navy, the Canadian Army, the Royal Canadian Air Force and the Merchant Marine, let us remember that without freedom there can be no enduring peace and without peace no enduring freedom.

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MRS. HILDA SIMANAVICIUS

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, it is with great pride that I rise today in the House of Commons to pay tribute to an outstanding member of my constituency of Parkdale—High Park.

Mrs. Hilda Simanavicius has recently returned from Lithuania where she was involved in a program to improve the management and administration facilities of a consulting service within this eastern European country. Mrs. Simanavicius' initiatives were in conjunction with the Canadian Executive Services Organization known as CESO and the Canadian Volunteer Advisers to Business.

This organization provides advisers to businesses in emerging economies in central and eastern Europe, often with the help of volunteer Canadian men and women who are enthusiastic about sharing their knowledge with others who are in need.

I would like to thank Mrs. Simanavicius and other Canadian volunteers from CESO who are working to improve economic markets and the quality of life of others around the world. Hers is a shining example of the goodwill and benevolence for which Canadians have come to be recognized.

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MR. PHILIP MCKENZIE

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I would like to congratulate Mr. Philip McKenzie, a constituent from my riding of Fredericton—York—Sunbury who was one of three young Canadians selected to attend the World Energy Congress in Tokyo a few weeks ago.

His paper entitled "Nuclear Energy: A Green Option" was selected to be presented at the Youth Energy Symposium. Philip is a student of the department of chemical engineering at the University of New Brunswick. It is heartening to see his hard work and commitment being internationally recognized.

The work of talented young individuals such as Philip McKenzie is leading Canada into the 21st century.

• (1105)

Once again I want to congratulate him on an outstanding accomplishment.

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[*Translation*]

ALCAN CABLE LAPOINTE PLANT

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, I am pleased to bring to the attention of the House that Alcan Cable's Lapointe plant in Jonquière, Quebec earned this year's Canada award for business excellence in the category manufacturing—quality, small business. The Lapointe plant, constructed in the 1970s, is one of seven Alcan Cable plants in North America.

In 1990, Alcan Cable made a commitment to quality by defining a new business mission, with the objective of becoming a world class manufacturer within four years. In their determination to meet that objective, the management and employees of the Lapointe plant spared no effort to indeed become an international class company. Alcan Cable's Lapointe plant in Jonquière is a shining example of the success any business can have if it sets its path resolutely toward quality.

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[*English*]

HEALTH CARE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, Canada's blood supply system is in a state of crisis.

Day after day, testimony before the Krever commission reveals a tale of bureaucratic bungling and government inaction that has compromised Canadians' health by exposing them to

such diseases as HIV, AIDS and hepatitis–C. Credibility and trust in our health care system has been severely compromised.

What has the government done to restore credibility to our blood system? The minister recently declared that our blood system is as safe as any other in the world, yet Canadians know it is not good enough.

Handing over another $3.3 million to the commission is not the answer. Doubling the budget of the Bureau of Biologics is not the answer. It was this bureau that originally was part of the tragic bungling.

The answer Canadians want is not more study, but decisive action and leadership now.

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CANADIAN UNITY

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, in late October the original voices of Canada spoke resoundingly: the Cree, the Inuit and the Montagnais. We are proud of who we are, what we have accomplished and what we can become.

At the unity rally in Montreal, northerners were there in support of the no forces. Aboriginal and non–aboriginal, we live in many different languages and cultures in the north, but we share many values and strengths. Our experience tells us this land is big and great enough for us all.

I urge the nation to acknowledge that the aboriginal people delivered when called on to support the country. We can and must be included in the changes that need to be made.

Together with open hearts, let us build an even greater nation from sea to sea to sea.

[*Editor's Note: Member spoke in Inuktitut.*]

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[*Translation*]

INTERCULTURAL WEEK

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, today marks the start in Quebec of intercultural week, this year organized around the theme of "Living together". This will afford us a new opportunity to forge solid links between Quebecers of all origins, and to encourage understanding, dialogue and rapprochement. This year, the emphasis of intercultural week will be on Quebecers' belonging to a common culture, and on making Quebec, its history and its culture better known, as well as the important contribution the cultural communities have made to its development.

Numerous community groups, schools, businesses, private and public organizations and agencies are involved in organizing hundreds of big and small events throughout Quebec. On behalf of the Bloc Quebecois, I would like to wish all of them an enriching intercultural week of exchanges and discoveries.

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LEADER OF THE BLOC QUEBECOIS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, who said he had not concluded that so many hospitals would inevitably be closed and that the decision to close them had to be based on the assurance of better health care? Who said that proof of this had to be provided and that he had his own ideas, which he would express at some point? It was the leader of the Bloc Quebecois, offering advice to his provincial counterpart.

However, the Quebec health minister did not wait to find out the Bloc leader's personal opinion on the matter. He closed five hospitals in Montreal alone. The fine social democrat promises of the PQ and the BQ did not survive the referendum. People have just discovered that the PQ government and the separatists do not want to invest in hospitals. They prefer investing in referendums. Yes, separatists can indeed close hospitals.

* * *

• (1110)

[*English*]

THE LATE HANS DAIGELER

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, yesterday Ottawa–Carleton suffered a terrible loss with the death of Mr. Hans Daigeler who died at the age of 50.

I had the opportunity of meeting Hans on several occasions and found him to be a caring, compassionate man. During his seven years as MPP for Nepean he brought integrity and dedication to his role. Hans was well known in Queen's Park and within the Liberal caucus. He brought a refreshing honesty to politics, was never afraid to speak the truth and was an unabashed supporter of the city of Nepean and its people.

On behalf of my colleague, the federal member for Nepean, who is stricken with grief this morning, and on behalf of the national capital region, may I offer my condolences to Hans' family, friends, relatives and neighbours. He will be missed.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, Quebecers and Canadians continue to believe profoundly in promoting democratic values and in protecting fundamental rights. We all deplore the violation of these rights by the Nigerian military

junta, and were shocked by last week's announcement of the impending execution of nine dissidents.

The official opposition calls on the Government of Canada to put pressure on the Nigerian authorities to stop all violation of fundamental rights. Canada must take the lead and use the occasion of the meeting of the Commonwealth countries to raise this matter and promote respect for human rights, as it did in the 1980s in the case of South Africa.

* * *

[*English*]

DANGEROUS OFFENDERS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, yesterday Ontario's highest court ordered the release of Robert Owen Ross Currie. Mr. Currie had been jailed indefinitely as a dangerous offender. Mr. Currie has a long history of sexual assault. He was convicted of rape, possession of a dangerous weapon and two counts of indecent assault. The court declared Mr. Currie's indefinite sentence a form of unjust punishment.

Canadians have lost faith. They have lost faith in the justice system because it is releasing dangerous offenders into society. Canadians are frightened. They are frightened because the bleeding heart mentality that prevails within our courts and our parole systems are turning dangerous sexual offenders free to prey on more innocent people.

For the first time in Canadian history, a dangerous offender status was revoked. The courts have just fallen over the edge of a slippery slope. Who will be next, Clifford Olson or Paul Bernardo? And what is the Minister of Justice doing about it?

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[*Translation*]

TRIBUTE TO SERGEANT ARTHUR BOUCHER

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, tomorrow, all across Canada, we will be celebrating Remembrance Day. I take this opportunity to pay tribute to sergeant Arthur Boucher, who lived in the village of Magog until his death.

Heroism, courage, dedication, honour, such are the words which come to mind when thinking of sergeant Arthur Boucher. His sacrifice must not have been in vain.

Similarly, the referendum which took place in Quebec 10 days ago will not be in vain. We can draw three main lessons from it, as stated by the MLA for Brome—Missisquoi who said: "that, first, we can never take our country for granted; second, patriotism must be practised and taught daily; third, Quebecers want the federal system to change, and fast".

Together, we can do it.

* * *

[*English*]

EDUCATION

Mr. Maurizio Bevilacqua (York North, Lib.): Mr. Speaker, this year marks the 10th anniversary of International Year of the Youth.

We are in the midst of dramatic change. Statistics show us that 45 per cent of all new jobs created between 1990 and the year 2000 will require more than 16 years of training and education. Never before have education and training played such a vital role in the future of our youth.

In order to face this challenge head on, the government introduced the youth employment and learning strategy. This strategy is the cumulative result of many years of consultation, policy development and town hall meetings with Canadians from coast to coast to cast.

Key elements of this strategy include youth service Canada and youth internship program. Youth service Canada gives young people an opportunity to develop skills and confidence while serving their community. The youth internship program provides a combination of on the job and in class training.

• (1115)

To date these programs have given over 30,000 young Canadians a head start on their career path. This Liberal government recognizes that our youth is a very important resource and as such should be treated as a top priority. That is why this year during a time of fiscal restraint, the overall budget for youth employment services was increased by—

The Speaker: The hon. member for Fraser Valley West.

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GOVERNMENT POLICIES

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it has been two years since Canada elected a majority government. Let us take a reality check and see how well it has done.

The government has borrowed over $80 billion by overspending and has increased the debt to $560 billion. Crime has expanded, is unchecked and even encouraged by useless federal legislation. Liberal friends and party hacks have been given federal jobs and Senate positions for life. Liberals gorge themselves on the MP pension plan gravy train. Immigration and

Refugee Boards dominate the ministry. Ministers are not held accountable.

Sick yet? Most of us are. Add on an ethics counsellor whose job is a joke, inept ministers and prisoners who run the prisons. That is enough to make me sick.

I ask you: Are we well served by this government? No. No. No.

The Speaker: We are going to put that member down as a doubtful admirer.

ORAL QUESTION PERIOD

[*Translation*]

COMMITTEE CHAIRED BY AGRICULTURE MINISTER

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, since it was unable to deliver the changes it promised Quebecers during the referendum campaign, the government has resorted to an old federal standby: creating committees.

Ottawa has made a big thing of the phoney committee chaired by the Minister of Intergovernmental Affairs, but kept quiet about another committee which will be chaired by the minister of agriculture. Discreet though it may be, this shadow committee is supposed to prompt the federal government on basic directions for change in Canada.

My question is directed to the Acting Prime Minister. By establishing two committees, one supposedly to respond to Quebecers' desire for change and one to discuss the division of powers, does the government intend to keep sending two messages on the constitution, one to Quebec and one to the rest of Canada, as it has done for more than two years?

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 high time the official opposition realized we are in the business of governing Canada and that when problems arise with respect to unity and economic issues, we will appoint groups of ministers to make a thorough analysis of the options for dealing with these problems.

This should come as no surprise. It is what any good government would do, and that being the case, I am not surprised the official opposition fails to understand what we are doing.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, at least there is more of an inclination to be frank this morning. We are told there are problems with unity. There was no problem for the past two years. The constitution was not an issue. We had some flamboyant speeches in this House, which was not the case before. The economy used to be fine, but this morning it is a real problem. They are aware of that.

When we realize that the shadow committee of the minister of agriculture will consider the division of powers and that, unlike the other committee, the most influential ministers from Quebec will sit on this committee, will the Prime Minister finally admit that the phoney committee of the Minister of Intergovernmental Affairs, which is supposed to respond to Quebecers' desire for change, is just a lot of window dressing?

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, your typical example of a phoney committee is the regional commissions that were set up in Quebec by the Parti Quebecois, with the co–operation of the Bloc Quebecois. They were phoney committees that never accomplished a thing.

In this case, it is entirely normal and appropriate that we should examine and try to solve the problems that exist in Canada today. At least we are trying to provide good government. In fact, all the players in Quebec, including Mario Dumont and the Conseil du patronat du Québec, have told the Quebec government it is time to deal with the real problems: jobs, unemployment and investment. That is what we are doing through the committee chaired by the minister of agriculture.

• (1120)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, actually, I want to thank the minister because the more he talks, the more he strengthens the sovereignist cause in Quebec.

Yesterday, the Prime Minister, although he was halfway around the world, managed to set the record straight. We know the phoney committee chaired by the Minister of Intergovernmental Affairs will accomplish very little since, as the Prime Minister said, they do not intend to tinker with the constitution to satisfy Quebec.

That being said, and since we cannot expect to deal with Canada's problems without dealing with Quebec, does the Acting Prime Minister not realize that the shadow committee of the minister of agriculture is also doomed to fail?

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, that is a good example of a phoney question, one that has no substance and does not make sense.

First of all, in the Outaouais, in the five Outaouais ridings, the no side received 72.6 per cent of the votes, more than in any region in Quebec. This was more than in 1980.

So obviously, the hon. member for Laurier—Sainte–Marie does not know what he is talking about when he indicates the influence we can have on what Quebecers have decided, which is to stay in Canada.

Furthermore, if the hon. member for Laurier—Sainte–Marie thinks economic issues are not important enough to warrant consideration, he is abdicating the basic responsibility of the official opposition, which is to protect the interests of Canadians and Quebecers at a time when the majority of Canadians and Quebecers want to see a solution to these economic problems.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Acting Prime Minister.

While travelling in New Zealand yesterday, the Prime Minister claimed that his government's main concern is to deal with what he calls "the real problems of Canadians". Yet, federal ministers are unable to name a single major legislative measure taken by their government, simply because there has not been any. Instead of taking action, they are creating yet another committee.

Here is my question. While Canadians are faced with a growing poverty problem as the federal government keeps postponing reforms that will supposedly put the unemployed back to work, how can the government claim that setting up another ministerial committee will meet the real economic needs of Canadians?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, jobs and growth have always been central to this government's agenda.

It is very important to note that in the first two years of our administration, from the fall of 1993 until the fall of 1995, economic circumstances have been created in Canada whereby 500,000 new jobs have been created for Canadians. At the same time, the unemployment rate in the country has dropped below 10 per cent, the lowest level in a long time.

That is good progress in the first two years of our administration. It is still not enough progress from our point of view. We want to work very hard to accelerate job growth and to reduce unemployment. All members of the government, in cabinet and in caucus, will be sparing absolutely no effort to achieve that larger objective.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, what the minister is saying is that while they were creating jobs in the rest of Canada, Quebec was becoming the poorest province in Canada with its unemployed workers and its people living below the poverty line.

Can the Acting Prime Minister tell us—

Mr. Massé: It is because of the Parti Quebecois.

Mr. Robichaud: Stop talking about separation.

The Speaker: Order, please. The hon. member for Joliette.

• (1125)

Mr. Laurin: Mr. Speaker, I realize it is not important for the party in power to listen to the question because their answers never make sense.

Can the Acting Prime Minister tell us what concrete and substantial legislative measures his government has taken since the referendum to tackle what he calls the real problems of Canadians?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, the hon. gentleman knows that the intervening period from the date of the referendum to now has only been a matter of a few days. The member should take into account the record of performance prior to the referendum date. It includes a broad range of initiatives, probably longer than you would allow me to answer during the course of question period, Mr. Speaker.

I can think of such things as the Canada infrastructure works program which has been an enormous success from coast to coast to coast. There are the internship programs for Canadian youth, the Canadian Youth Service Corps. There is also the successful battle against the deficit. Not only have we met but we have exceeded every single one of our deficit targets which builds confidence in the Canadian economy. There is also a large list of measures for small business where 85 per cent of Canadian new jobs come from.

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THE ECONOMY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, it has been a heck of a week. We have had the official disloyal opposition acting—

Some hon. members: Oh, oh.

The Speaker: I would ask the hon. member to withdraw the word disloyal.

Mr. Silye: Mr. Speaker, I will withdraw the word disloyal. It has been a heck of a week. We have had members of the official opposition acting like spoiled brats in not recognizing the results of the referendum which they lost. Now we have the government members who do not know why they won striking up the divine nine committee. We have a Prime Minister who wants Copps out of the House.

Some hon. members: Oh, oh.

Mr. Silye: In the meantime, this week we have been busy meeting with the governor of the Bank of Canada and with 10 of this country's leading economists which prompts my first question.

I believe that the size of our federal debt is $567,902,132,500.57. Would the finance minister please confirm to this House what the size of our federal debt is?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I am sure the member's estimate of our national debt is within a couple of pennies.

The problem is not only the size of the national debt, but that as a nation over the course of the last decade we did not face up to the fundamental problems of job creation, the preservation of our social programs and the preservation of the social fabric of this country. What is crucial is that we continue the course that has been set by this government. We must deal with the fundamental problems so that a subsequent government does not have to stand up and admit to the kind of heritage the member just described.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the problem is the debt. That is this country's major problem. The soft targets this finance minister has set are not solving the problem. He should get serious and set some targets that really mean something, such as a zero deficit within the time frame of his mandate.

I know the finance minister has heard what many of the economists said yesterday when they were looking at forecasts into the future. If the minister were to listen to the advice of these leading economists he would recognize that the track he is taking this country down is not good enough. There is a demand by taxpayers to solve our problem quicker. It is better to err on the side of quickness than to err on the side of slowness.

Why does this finance minister not commit his department and his government to a clearly defined program of when we will get to see a zero deficit?

• (1130)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there has never been a better expression of the difference that exists between the Reform Party and the government than the one just expressed by the member.

He said that the end of government was to reduce the deficit, that the purpose of government was to make itself smaller. That is not true. The purpose of government is to make itself smarter. The purpose in reducing the deficit is to help in job creation. The fundamental role of the country is to give its citizens a better future.

Yes, we have done a great deal to reduce the deficit. We will continue to reduce the deficit and we will balance the budget, but that is not the end of this society. The purpose of society is to give citizens a better standard of living, to give children a better chance and to make sure we take children out of poverty. That is what we will do.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the finance minister talks about making things better for Canada. He talks about how he will improve things for Canada. From when he came into power until when he leaves power overall spending will be the same, if not higher. He is not solving the problem. He is adding to the problem.

The problem is the debt. The solution is to get to a zero deficit so that we do not add to it. Whether it is over three years, two years or whatever, that is the objective.

The Speaker: I know the member will ask his question right now.

Mr. Silye: Mr. Speaker, for the good of the country and for the good of the financial community, will the finance minister quit playing politics with the deficit, come clean with Canadians and present a balanced budget before he goes to the electorate in the next election?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as set out in the last budget, program spending by the government by 1996–97 will be at its lowest level as a percentage of our gross domestic product since 1951. We will be the only government of the G–7 that will have put into place an absolute reduction in its expenditures.

The minister of agriculture has just listed what we have done in terms of job creation which is fundamental. If our only objective is to reduce the deficit, the fastest way to do it is to put Canadians back to work. The minister of agriculture has just set out what we have done.

We will reduce the deficit. Let there be no doubt about that. However we will do it in a balanced way, one that does not harm the Canadian economy, one that gives our children a chance.

If we want anything different, we can take a look at the budget set out by members of the Reform Party this year: scorch and burn, demolish the country. They are so ashamed of it that ever since it came out they have refused to bring it forth and talk about it because they know it was a dud.

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[*Translation*]

PURCHASE OF HELICOPTERS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the defence minister. Yesterday, the minister quoted, in support of his decision to buy new search and rescue helicopters, an analysis published in *Le Devoir*. Had he read it

through, he would have learned that Quebec was the biggest loser in the cancellation of the EH–101 contract.

Given that the Canadian aerospace industry is mainly based in the Montreal area, that Quebec is far from getting its fair share of defence spending and that the minister did not hesitate to award without tender to Ontario a $2 billion contract for armoured personnel carriers, how can he explain the fact that there is no Canadian content requirement in the new contract? How can he justify that?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member forgets that, a few years ago, the previous government awarded a contract worth more than $1 billion to Bell Helicopter, in Mirabel, to build helicopters for the Canadian army. This was a major contract for 100 helicopters. But that is something he failed to mention in the House.

[*English*]

Quebec has a large part of the aerospace industry. Bell Helicopter has received the world product mandate for the construction of certain types of helicopters it is now delivering to the Canadian army. It was because of the government's decision—perhaps this is one of the few things the previous government did correctly—that Bell Helicopter company was able to get the world product mandate and bring jobs to Canada, to Quebec, for the making of these helicopters to serve Bell's worldwide market.

• (1135)

The hon. member conveniently forgets that, when he criticizes the announcement I made on Wednesday.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the minister is like a propeller, we never know which way he will turn. Does he not realize that, by refusing to include a Canadian content requirement in this contract, he is not only compromising our businesses' chances of securing the contract but also completely ignoring the policy on managing major crown projects, namely projects in excess of $100 million, which clearly requires him to give top priority to industrial and regional development?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have stated as government policy that we will get the best deal for Canadian taxpayers. Where possible, we will buy off the shelf, and we have done that.

As I said the other day, the hon. member and his party do not have much confidence in Quebec companies, many of them world class, that will easily be able to compete and offer their services to provide components for these helicopters. He does not have faith in their own industries in Quebec. That is shameful.

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FINANCE

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the Minister of Finance basically released his annual financial report. On page 2 of that report the minister acknowledged that he massaged the personal income tax collection figures for the previous year to take $3 billion out of revenue in 1994.

Using the real figures, will the Minister of Finance acknowledge that the 1994 deficit was only $39 billion and that the 1995 deficit is exactly $38.7 billion, which means that the deficit has not come down hardly at all?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the accounting principles we followed in reporting the state of the government's finances have been consistent and are ones determined by the auditor general.

If the hon. member is accusing the auditor general of massaging the numbers, I would suspect he should do so in another forum. Even if one accepts the premise of the member's question, which is obviously false, one would have to ask him to apply the same principles from one year to the next and he would find that his question does not stand up.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I was quoting from the report of the Minister of Finance that there were some changes and some fixing of the numbers in 1994.

While we listen to the daily drivel of the government of how it cuts costs and is trying to create jobs, using his actual numbers tax collections were up $7.3 billion and the deficit has only come down by $4.5 billion.

Therefore would he acknowledge that he is reducing the deficit on the backs of taxpayers, not by cutting spending, and that increased taxation kills jobs? It does not create jobs as he talked about earlier today.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member did not quote my words. He quoted his own words. He would have been better off to have quoted mine.

First, we follow the accounting principles established by the auditor general. Second, the member will understand the basic problem of the country is compound interest. While our spending may well go down in terms of programs, our interest costs continue to rise. That is the basic nut we have to deal with.

Over the course of the last two years we have engaged in more deficit reduction than any government, certainly over the course of the last decade. We have hit our targets and we will continue to hit our targets.

It may reflect Reform Party policy but he should not say that paying attention to job creation and job creation policies are drivel, because that is what Canadians want their government to do.

* * *

[*Translation*]

AGUSTA

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, yesterday, the government announced that it had reached a settlement to compensate the Italian company Agusta, following the cancellation of the contract for the EH–101 helicopters. No details will be made public until several months, but we know that this settlement will cost several hundred million dollars. Agusta, it must be remembered, is currently facing bribe and corruption charges in Europe.

• (1140)

My question is for the Minister of National Defence. While the terms of the settlement reached between the government and Agusta are not yet known, and given that the inquiry called for by the Liberals when they formed the opposition never took place, how can the government explain that Agusta is still being considered for the new helicopter contract?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member was quite right in saying that an agreement in principle had been reached between the Government of Canada and the company to which she referred. Unfortunately the hon. member went on to make an assumption which has yet to be realized. The Minister of National Defence has yet to give to the Department of Public Works and Government Services a request for a proposal.

We do not know who in the world might be submitting bids for various procurement initiatives of the Government of Canada. How the hon. member could stretch an agreement on termination costs with a particular company into saying that it will now be somehow successful in some subsequent bid is beyond the realm of reality.

[*Translation*]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, that answer has nothing to do with the question. My question was on the second contract, but the minister keeps referring to the first one. Will we have to make a video for the minister to understand the question?

Let me put it again. Since Agusta is at the centre of a huge scandal in Belgium, how can the minister justify that, without any inquiry on the circumstances surrounding the signing of the EH–101 contract, he will pay Agusta hundreds of millions in compensation, without telling us whether he intends to exclude that company as a bidder for the new helicopter contract? That is my question to the minister.

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I would be happy to receive the video at any time. Perhaps she might want to have Canada Post deliver it.

The Government of Canada, as I am sure any reasonable individual would understand, had a binding contract with the company in question. We made a decision upon coming to office about the termination of the contract. There are termination costs the Government of Canada will have to provide in accordance with the contract. We will live up to the contract obligations and we hope to be able to provide that information in due course.

However the hon. member cannot jump from that resolution into thinking that automatically the company to which she refers may have some upper hand with regard to possible procurements of the Government of Canada.

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CANADA POST

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I agree with the Minister of Finance that job creation and putting Canadians back to work are not drivel. The brother–in–law of the head of Canada Post is about to be awarded an untendered $300 million contract and get an extension on another to the year 2002, and the minister responsible does nothing about it.

If the minister of public works again alleges there is nothing wrong here, would he assure the House that the contract will be investigated as part of the much anticipated review of Canada Post?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member once again likes to roll around in the mud. It is pretty sad when we informed his colleague who raised the issue at a previous time that the suggestion the hon. member was making was incorrect.

A letter I have, which I would be pleased to table for the benefit of the House, says:

> Canada Post has completed their evaluation of your proposal dated July 28, 1995 for the sale and leaseback of community mailboxes. Our evaluation has concluded that the financing cost does not meet Canada Post Corporation's requirements.

I do not know what the hon. member is talking about.

• (1145)

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the minister seldom does know what I am talking about.

I talked a lot about patronage and about rolling around in the mud and the slime. We only have to go as far as Sydney, Nova Scotia, to see what is going on at the tar ponds in the middle of the member's riding.

The federal conflict of interest code is being blatantly ignored over and over and this minister does nothing about it. Two senior executives in public works dole out federal money to their relatives, get caught in the act, and again the minister does nothing.

How does the minister of public works expect to clean up nepotism at Canada Post when he continues to allow his public works employees to give out money to their wives and nephews without even going through the pretence of tendering?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member knows a lot about stench. He knows a heck of a lot about it. He makes allegations continuously in the House.

He refers to the tar ponds, which are not even in my constituency. I hope he will get his facts correct.

With regard to the specific allegations he raises, I hope the hon. member would clearly understand that ministers of the crown do not have the authority to deal with public servants within their own departments. That is a responsibility of the respective deputy ministers of each of our departments. That is codified by law.

My deputy minister responsible for public works and government services has this particular issue in hand and he is dealing with it in the most appropriate way.

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[*Translation*]

FOREST INDUSTRY

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the minister responsible for regional development in Quebec.

The minister responsible for regional development in Quebec is now contributing to the loss of jobs in the forest industry in Quebec since Ottawa decided unilaterally to withdraw from that sector and he refuses to grant the $80 million requested by the industry.

By refusing that compensation to forest workers in Quebec, as he did recently in the case of farm producers in Western Canada where the federal government withdrew from the grain transportation sector, is the minister not applying double standards and being unfair to Quebec?

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, this issue has been discussed over a number of years. The previous government is the one that cancelled those programs for forestry agreements. We have continued to try to extend that to give the woodlot owners an opportunity to adjust to the change. Last year the plan was extended for a further year and it does not expire until March 1996. The woodlot owners have been given lots of notice and lots of compensation in order to adjust.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, does the minister recognize that when he refuses to react positively to the claims of 170,000 stakeholders of the forest industry, he simply confirms the fears of Quebecers who thought that after a no to the referendum, the federal government would also say no to all of their requests?

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, I find it passing strange that the member would be asking for compensation on the one hand and at the same time saying that it is a responsibility of the provincial government. So let the provincial government do its job.

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CANADA POST

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I find it very disturbing that pornographic and sexually explicit advertisements were delivered to several thousand households in western Atlantic Canada. This unsolicited and unaddressed material could easily be opened by children.

How does the minister responsible for Canada Post intend to prevent this disgusting material from reaching people in my constituency of York—Simcoe and other Canadians?

• (1150)

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I thank the hon. member for the question.

I too find the material in question very objectionable. The president of Canada Post Corporation has issued a directive that it will not be delivering in the future any of this unaddressed material. Yesterday we were able to preclude the forwarding through the mails of some 40,000 pieces in St. John's, Newfoundland.

There is another issue, however, the addressed pornographic mail. I have conferred with my colleague, the Minister of Justice, and we are hoping to combine our forces with a task force to look at ways we can address that issue in terms of either amendments to various statutes or other remedies. We want to get a remedy that will be effective and will not be challenged by the courts or by any of those companies that wish to distribute that pornographic material.

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BLOOD SUPPLY

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the Krever inquiry has done a pretty good job of pointing out flaws in our blood system. Our health minister's reaction is like a deer in the headlights. The time for dithering is over.

Can the parliamentary secretary maybe give the health minister a little nudge so we can have a little more accountability in our blood system?

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am pleased to answer that question, but it is really rather sad that such an important subject as blood should be dealt with in such a flippant manner.

The Krever inquiry has been set up to look at the safety of blood in the 1980s. That report has not yet come down. Mr. Krever has had an audit done on safety so far, which has shown that the blood system in Canada is as safe as any system of blood can be in any other part of the world. The hon. member, as a physician, should know that there is not 100 per cent safety in any issue that has to do with pathogens or biotechnology.

We in health are not waiting for the Krever inquiry to come out with its recommendations. We have already begun. We have doubled the number of inspectors for blood in this country. We have started annual inspections, which was never done before. We have implemented at least 10 measures, which are too long for me to respond to right now, that will enhance safety before the Krever inquiry even comes out with its recommendations.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the minister simply says that our blood system is fine. The report says the system is confusing, has poor accountability, is frozen in the past. If hers is not a flippant response, I do not know what is.

Maybe it takes a hip check for the health minister. Will the parliamentary secretary ask the minister to at least clarify the lines of authority so that we do not have confusion in our blood system?

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, it is not only the Minister of Health who said the system is safe; it actually came out of Mr. Krever himself. Those are his words on his safety audit.

I believe the hon. member is speaking about another audit. All these audits are tools the Krever commission is using to come up with its final report.

At the moment the Krever commission is looking at management issues, which is appropriate to do. We are waiting for that report to come out. When it does, we will look at it and take the appropriate steps, as we always do.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, my question is for the Acting Prime Minister.

The Minister of Health said last Wednesday in the House, and I quote: "—we have not waited for Justice Krever's report before taking steps to make the system safer".

How, then, can the minister explain that the report prepared recently for commissioner Krever deplored the same major deficiencies as those identified by the expert committee report a year ago?

• (1155)

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, with regard to the safety of blood and with regard to what the Krever inquiry has suggested so far, we have responded to Justice Krever's interim report and have acted on every recommendation within our jurisdiction. Unfortunately we cannot react on recommendations that have nothing to do with our jurisdiction. I will list these. I spoke to them earlier, but maybe what I need to do is list them.

We have increased resources in the area of blood regulation. We have increased the frequency of inspections and improved the way we do them, making them on a yearly basis. We have enhanced the way we do inspections, requiring now a written report at the end of the inspection. We have introduced an exit notice that clearly sets out our observations and requirements for corrective action. We have established an independent advisory committee on blood regulation to provide us with advice on a range of issues, and so on.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I have a supplementary. Can the minister then explain how it is that a recent study by Dr. Robert Rémis, who was an important witness before the Commission, shows that Canada has one of the worst records among industrialized countries for the safety of blood products?

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I do not think it is up to the Ministry of Health to respond to the witnesses who present to the Krever commission. It is up to us to respond to what the Krever commission itself says.

The Krever commission has, I repeat, said that the safety of the blood system in Canada is as safe as any blood system in the world can ever hope to be.

* * *

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the Senate committee studying Bill C–68 has passed a motion asking the Minister of Justice to "document or conduct such consultations as contemplated in section 35 of the Constitution and laid out in the Sparrow case, and various agreements such as those with the Yukon First Nations and the Cree, and inform the Senate committee that the Constitutional requirements are not violated".

I ask the Minister of Justice, will he comply with the senators' request?

The Speaker: Order. This question is before the other house. However, because it deals with the hon. minister, if he wishes I will permit him to answer the question.

The hon. member for Crowfoot.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, that is a first for this minister.

During the hearings of the other place on this bill a question was raised. I will ask the minister if he wishes to respond to this question. The question was why is the House passing legislation that is not constitutionally sound.

I ask the minister, why was Bill C–68 rammed through without the constitutionality of the bill being assured?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member and his party are not in a position to say they are the champions of aboriginal rights in this country. When they see in this issue an opportunity to attack Bill C–68 they take it.

For the many months the bill was before the House committee, of which the hon. member formed a part, it was examined in great detail. There were both legal and constitutional witnesses before the committee. It was established there, as it has been established before the Senate, that this bill is completely constitutional.

* * *

GRAIN EXPORTS

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

In recent weeks a small group of farmers have blatantly defied federal law by trucking their wheat and barley across the U.S. border without an export permit. Can the Minister of Agriculture and Agri–Food tell the House what impact this illegal action will have on prairie farmers who are not breaking the law?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, illegal action or illegal protest is no way to have an effective influence on the shaping of government policy. In fact that conduct sets back the case of those who would legitimately argue for some changes.

It is a fundamental precept of democracy that we must all respect the law, even those laws with which we may disagree. If we do not have that fundamental respect for the law, soon we all descend to the law of the jungle.

• (1200)

This kind of illegal conduct with respect to the United States border is tremendously dangerous. It could trigger that very political firestorm on the American side of the border which could lead to increased pressures in the United States to shut the border in some way for the access of Canadian grain into the U.S. market. The conduct is dangerous in terms of trade.

The law is there. It is clear and it is valid. I want to make it very clear the law will be enforced.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise on a point of order. During question period the Minister of Finance said that I should quote my own figures rather than quote his. At the same time the Minister of Finance said that my accusations called into question the integrity of the auditor general.

If I may quote from the annual financial report—

The Speaker: What the hon. member has is an interesting point but it is not a point of order. I rule it would be a point of debate.

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 three petitions.

[*English*]

AGRICULTURE

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, pursuant to Standing Order 109, I am pleased to table in both official languages the government's response to the ninth report of the Standing Committee on Agriculture and Agri–Food entitled "Dismantling the Crow: Curbing the Impacts", which was tabled in this House on June 22, 1995.

* * *

[*Translation*]

PUBLIC ACCOUNTS

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the government's response to the 15th report of the Standing Committee on Public Accounts concerning the Atlantic Freight Assistance Program.

* * *

[*English*]

GOVERNMENT REVIEW

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table in both official languages the first ever annual report to Parliament entitled "Strengthening Government Review". This is in keeping with the commitment made by the government in its response to the sixth report of the Standing Committee on Public Accounts.

I am pleased to present my report on strengthening government review.

[*Translation*]

This document is our way of delivering on a promise.

[*English*]

Specifically, it is delivering on our promise to address some of the concerns expressed about review in the sixth report of the House of Commons Standing Committee on Public Accounts.

In a larger sense this document is also part of our effort to fulfil the government's election promise to Canadians. We told them that we would make government more efficient, that we would make it more affordable. We also promised we would make it more accountable.

To get government right, we need to know what works and what does not work. Feedback in the form of reviews, evaluations and audits is the best way for the government to learn and to improve. As well, regular reviews are an excellent opportunity to remind our employees of what the public service is all about: delivering quality service to the public and doing our best with the resources that are available.

• (1205)

Canadians want to know how their tax money is spent. They want to be assured they are getting value for those tax dollars. As the people's elected representatives, we have a right to an accounting on those expenditures. Through the public accounts committee we have been told we need timely, relevant and useful feedback on the effects of government policies and programs.

As the auditor general pointed out in his 1993 report, the government's feedback system does not always work as it should. This is why we are implementing many initiatives for things like quality management, a better expenditure management system, a modernized financial information system, a smarter use of modern information technology and of course with this report today, a strengthening of government review of its programs and services.

The government–wide program review process is bringing many significant changes to the way we govern. It is more than just a short term tune–up. Our research shows that those changes are making a real difference to the way we manage the public service. We are working to create a new management culture, one that is results oriented and one that is client focused.

Results oriented management means defining the results the government seeks to achieve in its programs. It means giving managers the resources and guidance they need to achieve those results. It means performance measurements, measuring and demonstrating actual achievements. It means ultimately finding a way to share what we learn with each other in the government and also with the public.

This report is our way of documenting these changes. It is the product of a thorough investigation. We consulted many different groups, both internally and externally. Our valued professional auditors, our evaluators and others in the review community played a key role in the evolution of this report.

What did we learn from these consultations? Our research showed that public service employees really do understand the importance of review.

[*Translation*]

This is apparent in the extensive amount of review activity carried out in the departments.

[*English*]

The Treasury Board is leading the evolution of review in three key ways. First, we are linking results information with our business plan process and other forms of decision making. Second, we are improving our ability to co–ordinate government–wide reviews. Third, we are enhancing our review and performance database so that it will be a convenient source of information on key reviews as well as lessons learned and best practices.

There is still room for improvement. We are committed to do what it takes to continue down the road this report puts us on. Administrative structures will be reinforced and results commitments will be more visible. In helping to provide the information for evaluation, we also need a better financial information system. We will continue to find better ways of measuring and making performance information available to Parliament.

Finally, we are going to help departments develop better accountability or control frameworks giving the kind of training and expertise that is needed. We are going to analyse the information gaps for issues where more than one department is involved.

Review is a powerful tool for change. It is integral to delivering quality services to Canadians. It is vital to the changes under way to improve our expenditure management system. We intend to continue our actions to strengthen government review and evaluation on government programs and services.

• (1210)

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the efficiency of the civil service depends on a close and frequent assessment of all of the government programs. Departments must ensure that their programs meet their original objectives. Also, they must ensure that the various departmental programs produce very good results, in the best possible way, and that they do no waste the taxpayers' money.

In his 1993 annual report, the auditor general made an assessment of the federal government programs which was very negative. He concluded that not only was the program assessment process seriously flawed, but also that only a quarter of federal expenditures had been reviewed between 1985–86 and 1991–92.

For over two years now, the official opposition has been calling for a comprehensive assessment of all federal programs. Also, for this assessment to be efficient, it must be transparent, which means that members of Parliament should be able to take part in it. As you know, only elected representatives are accountable to the people. The President of the Treasury Board told us today that, as elected representatives of the people, we have the right to be well informed on how the money is spent. But what have we seen since this government took office?

For example, the so–called program assessment undertaken by his colleague from Intergovernmental Affairs was done behind closed doors. At a finance committee hearing, the official opposition even asked the President of the Treasury Board to release the studies, especially those on duplication, made in connection with the program review.

At the time, the President of the Treasury Board referred us to the Minister of Intergovernmental Affairs who refused to release them on the grounds that they were useful only to the policy makers. So much for transparency. We have to judge a government by its actions and results rather than by its rethoric.

I am afraid this new management culture that the President of the Treasury Board says he wants to put in place clashes with the policies the present government has been practising since it took office.

It is all fine and well for the President of the Treasury Board to preach and to say he wants to improve the federal program review, but the results will be disappointing as long as parliamentarians are denied access to the necessary information.

I mentioned duplication of services earlier. To be effective, every program review process must answer this very simple question: Who is doing what? Which level of government is best able to deal with various areas? The federal government said and still says that jurisdiction must be given to the level of government which is best able to deal with it. Again, we must ensure this is not only rethoric.

What is the every day reality since the present government took office? The reality is that the federal government is interfering increasingly in areas where the jurisdiction and legitimacy of Quebec and the provinces are absolutely clear. I will give you examples, passage of Bill C–76 and the issue of manpower training.

With Bill C–76, the federal government has given itself the powers to unilaterally impose national standards, particularly in the areas of post–secondary education and welfare, thus increasing useless duplication.

• (1215)

Even though all of Quebec's social and economic stakeholders agree that the Government of Quebec is the level of government which is in the best position and which is the most effective to deal with manpower training, the federal government refuses to withdraw from this sector with compensation.

A government is judged by its actions. The federal government's profoundly centralist philosophy prevents it from improving effectiveness in the public service. Instead of eliminating duplication and the waste by making a strict assessment—through an open and transparent process—of all of the federal programs, the federal government has once again de-

cided to send the bill to the provinces and limits its action to tabling yet another report.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to respond on behalf of the Reform Party to the minister's first report on strengthening government review.

It is interesting to note that the first review, which the minister has said he takes great pride in tabling, is the result of the work done by the public accounts committee. It tabled a report last year calling for this review. There were eight specific, strong recommendations to help the government do its job better. We know the government is trying. Quite often we give them a failing grade but at least we see that they are trying.

Looking at the report I noted he said: "What did we learn? First of all our research showed that public service employees really do understand the importance of review". I hope so because it meant that 30,000 of them were out the door.

During the last election the Liberals said they would create jobs, that they would create an infrastructure program and spend $6 billion of borrowed money.

The President of the Treasury Board admitted before the committee that $6 billion only created 8,000 full time jobs. We have now found that the government is spending another several billion dollars to move 30,000 civil servants on to the street and on to the rolls of UI.

Canadians are going to be out $10 billion and we are also down about 20,000 jobs at the same time. We need program evaluation to do things properly. Unfortunately, by looking at the report that was just tabled—we have not had the opportunity to examine it in detail—it seems this is the same old review rather than a proper evaluation of the programs of government, reviews that the auditor general has said focus primarily on efficiency and tinkering with the system rather than a full blown evaluation to save money.

Take an example. I am not going to give the government the credit because it was actually started under the previous government, when the department of transportation decided to do a review of the Atlantic freight rates assistance program. This program had been started around the turn of the century and codified around the 1920s. This was to subsidize freight being moved from Atlantic Canada westward into Quebec and Ontario.

By 1993 it was costing us $100 million a year in subsidies. When an evaluation was done it was found the subsidy was going into the hands of these poor people called Irvings and McCains and so on in Atlantic Canada. It was all set up by trucking firms owned by these large companies inflating the cost and the subsidy they were collecting. We found out the subsidy was providing no public policy benefits to the people of Canada, yet we were paying $100 million.

Program evaluation reviews can do the job properly if they are focused and done well. However, the auditor general tells us that the government is cutting back on its commitment to reduce $11.8 million, in I think it was in the 1992–93 contracting to look at evaluation of programs. It cut back $8.5 million, a decline of 28 per cent while we listened to these wonderful words of the President of the Treasury Board telling us how reviews are doing a great job.

• (1220)

Page 26 of the report is about UI. The minister says: "Studies include over 20 projects, assessing many aspects of the UI program", which continues to keep people unemployed while we wait for the Minister of Human Resources Development to bring down the big review to find out how we can save billions in the program.

An hon. member: And it is coming in this lifetime.

Mr. Williams: Program evaluation can do very great wonders to the deficits of the country if it looks at four fundamental elements. First, is the program still relevant? Has the focus changed over the years or should the focus be changed? Second, does the program meet the relevant need which has been identified in society? Third, is it being delivered efficiently? The fourth element is as important as any of them. Is there a better way of spending our money to achieve the same results more efficiently and ensuring that the need is served?

I am glad to see that the President of the Treasury Board has tabled his first report. Perhaps it is a new beginning. It is certainly a small beginning. I have to compliment him on starting down the road. I only hope he is going to move aggressively and sincerely to save taxpayers a great deal of money.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 98th Report of the Standing Committee on Procedure and House Affairs, which will allow our national anthem to be heard every Wednesday in the House. If the House gives its consent, I intend to move concurrence in this report later this day.

[*English*]

Mr. Speaker, I have the honour to present the 99th report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92. This report is deemed adopted on presentation.

Mr. Speaker, I also have the honour to present the 100th report of the Standing Committee on Procedure and House Affairs, regarding Standing Order 107, which permits associate members for the liaison committee.

If the House gives its consent, I intend to move concurrence in this 100th report later this day.

Mr. Speaker, I think you will find unanimous consent that the following motion be put to the House without debate or amendment. I move that the 98th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to.)

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with the leave of the House, I move, seconded by the hon. member for St.Paul's, that the 100th report of the Standing Committe on Procedure and House Affairs, tabled in the House earlier today, be concurred in.

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

Some hon. members: Agreed.

(Motion agreed to.)

* * *

• (1225)

[*English*]

PETITIONS

TOBACCO PRODUCTS

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I wish to present a petition signed by a group of Canadians with respect to the harmful effects of tobacco.

The petitioners point out that tobacco use is clearly linked to many illnesses and should therefore, according to them, rightly be termed a hazardous product.

MINING

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present some 600 signatures on a number of petitions dealing with the Keep Mining in Canada campaign. One of the most important issues in Canada is the one of mining. It is a cornerstone for the betterment of Canada.

The petitioners ask the government to look at overlapping regulations and the investment climate. They hope that in reducing the overlap they can get the mining industry back to the number one position it held in the past.

* * *

[*Translation*]

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: Questions Nos 210 and 230.

[*Text*]

Question No. 210—**Mr. Riis:**

In 1994 and 1995, did the government provide any funding or financial support for any festivals or events which included the names "Du Maurier", "Players", "Craven A", "Export", "Matinee", "Benson and Hedges", "Rothmans", and if so, what was the location and amount of funding or support for each such event?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): To the best knowledge of the government, the following departments and agency have provided funding to events which included the name of a cigarette company:

Canada Council:			
Du Maurier Limited Atlantic Jazz Festival	Halifax	1994/95	$875.26
Canadian Heritage:			
Craven A Just For Laughs Festival	Montreal	1994/95	$250,000
		1995/96	$200,000
Du Maurier Limited World Stage Festival (Under the umbrella of Harbourfront Centre Corp.)	Toronto	1994/95	$70,000
		1995/96	$80,000
Du Maurier Arts Limited New Music Festival	Winnipeg	January 1994	$70,000
		January 1995	$46,500
Foreign Affairs Canada:			
Du Maurier Limited World Stage Festival	Toronto	1994/95	$25,000

To the best of their knowledge, seventeen other departments, agencies and crown corporations had no information on this subject.

Question No. 230—**Mr. Blaikie:**

What has been the total cost of developing, operating and marketing AECL's slowpoke energy system project from its inception until the present time?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): The total cost of developing, operating and marketing AECL's slowpoke energy system project from its inception until the present time is $45.1 million.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No 101 could be made an order for return, that return would be tabled immediately.

[*Text*]

Question No. 101—**Mr. Breitkreuz:**

For each federal riding, what has been the total amount of financial assistance provided by the department of Western Economic Diversification from October 25, 1993, to date?

Return tabled.

[*English*]

Mr. Milliken: I ask that the remaining questions stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 33, because of the ministerial statement, Government Orders will be extended by 18 minutes.

* * *

POINTS OF ORDER

TABLING OF DOCUMENT

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, earlier today in question period the Minister of Public Works and Government Services indicated he would be pleased to table a document. I request he do that for our information.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am sorry. The minister obviously was called away following question period and forgot to table the document.

He indicated his willingness to do so. I would be happy, on behalf of the hon. member for Fraser Valley West, to raise the matter with the minister and see if the document cannot be tabled either later this day or on Monday. I hope that is satisfactory with him.

The Acting Speaker (Mr. Kilger): I thank the parliamentary secretary for his co-operation in this matter and I am sure the matter will be resolved in due course.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C-96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee; and of the amendment.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I rise today to speak on Bill C-96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts.

Last week in my office I received a status of women document that prompts me to speak to this bill today. That document was a prepared camera ready piece to be used as an insert in householders from members of Parliament across Canada.

It describes Canada's role at the fourth UN conference on women to an unsuspecting public. It described the government as recognizing the importance of strengthening the family. Nothing could be further from the truth.

The Department of Human Resources Development is one of 24 federal departments included in the status of women plans. I will read from the document:

In preparing for the Conference—

—that is the fourth UN conference on women—

—Canada developed its own national action plan for gender equality "Setting the Stage for the Next Century: the Federal Plan for Gender Equality," published in August, is a framework for federal action to advance women's equality in Canada to the year 2000".

This federal plan for gender equality outlines eight lofty sounding objectives. Today I will touch on five of the eight objectives to which the Department of Human Resources Development has committed.

The first is to implement gender based analysis throughout federal departments and agencies. The second is to improve women's economic autonomy and well-being. Sixth, incorporate women's perspective in governance. Seventh, promote and support global gender equality and, eighth, advance gender equality for employees of federal departments and agencies.

• (1230)

Human Resources Development before and after the reorganization this formalizes agreed along with other federal departments to implement this gender based analysis. What is gender based analysis? What is the definition offered by the government in its own publication? According to the federal plan:

> A gender based approach ensures that the development, analysis and implementation of legislation and policies are undertaken with an appreciation of gender differences. It also acknowledges that some women may be disadvantaged even further because of their race, colour, sexual orientation, social economic position, region, ability level or age.

Notice the subtle reference to sexual orientation in this list. This word, until recently with the passage of Bill C–41, did not exist in federal legislation. Even now the recognition of sexual orientation is not yet in our Canadian Human Rights Act. With this government document, however, it is now official policy in every government department, courtesy of the Status of Women and not of Parliament.

It is the ambiguous concept of gender I should like to give close attention to today. The dictionary definition of gender refers to a person's sex. In contrast to this, according to the federal plan:

> Gender refers not to men or women, but to the relationship between them and to the ways in which the roles of women and men, girls and boys, are socially constructed.

The document goes on to expand on the concept of gender equality. To achieve gender equality, the social arrangements that govern the relationship between men and women will have to change to give equal value to the different roles they play as parents, as workers, and so on and so forth.

The word parent does occur here. Does this mean that the importance of parent and family is being recognized? Has the traditional family or family been deemed to be worthy of the government's attention? If we go further in the document we realize that this is not the case. It goes on to say such statements as:

> Equality for all women will come about only as these attitudes embedded in the workplace, education institutes and family are challenged and begin to change.

Another example of this policy duplicity is the following:

> Unequal participation and progress in paid work further undermines a woman's ability to achieve and sustain personal autonomy throughout her life.

This statement reflects the bias that it is only paid work that defines a woman's ability, value and worth in society. This illustrates the government's contempt for home and family relationships.

Participation in the workplace defines ability, value and worth according to this Liberal government document. With this bias it is not only family structures that become criticized under the microscope of their gender equality, but such things as religion, customs and traditional practices. The free choice or preference of individuals is replaced by this government imposed priority of workforce participation.

Gender equality is also based upon the assumption of attaining equal outcomes, as noted in the federal plan:

> Attaining gender equality is predicated on the achievement of equal outcomes for both men and women.

That is brought about not only by equal treatment but by "positive actions". Positive actions imply government intervention. This document blatantly states that treating women and men identically will not ensure equal outcomes. Thus the philosophy of gender equality leads to the policy of employment equity and affirmative action from the workplace right through to the kitchens of our national homes. This policy has been rejected outright by Canadians and certainly by my constituents in Port Moody—Coquitlam.

A recent survey I conducted of my constituents indicated that some 87 per cent believe that merit and merit alone should be the sole criteria for hiring and promotion. They have rejected employment equity and affirmative action, certainly in the workplace and most certainly in the home.

• (1235)

The policy or practice of employment equity is a fundamental insult to the abilities of women. It is a fundamental insult to me. The government cannot and should not mandate equal outcome in workplace participation between the sexes, between men and women. That should not be its role. Rather, the government should seek to encourage equality of opportunity and freedom of choice. Individuals should be free to decide how they wish to participate, both inside and outside the home.

The government obviously has no respect for the value of nurturing or sustaining families. The government does not take into account nor does it respect that women may have other alternatives and priorities in life, may wish to make choices other than government choices, and may wish to invest their time and efforts in their families. Therefore it was to my great surprise to read the status of women document which states that they recognize the importance of the family and the importance of strengthening it.

The minister pays only lip service to the needs and priorities of Canadian families while giving full service to radical feminists through such documents as the gender equality plan and the Beijing platform for action. It should be noted that neither the platform for action nor the federal plan for gender equality has been presented to the House. We have not seen a shred of those documents in this place for discussion. We have not been able to scrutinize what is in them, as we deserve to do. The government

has legislated in 24 federal departments, including human resources, without this legislature.

Where is the accountability in our system of government? The government, according to its notorious red book, stated that "open government would be the watchword of the Liberal government program". Why has not the government brought this agenda to the public's attention? Yet the two documents to which I referred, one being domestic and the other an international UN agreement, will have wide–ranging impact upon our legislation, our public policy, our society and our families.

We will recall last month the passage of Bill C–64, a monument to employment equity in all federal departments. It is no coincidence that this is in the Beijing document.

Human resources development is a main player in the realization of the Liberal government's gender based analysis agenda. It intends at any moment to interfere in the free choice of Canadian families by introducing a national day care program. It intends to add a further tax burden to all Canadians with this program in its desire to become a nanny state.

We thought last year that the power of the radical women's lobby was defunded and disempowered with the removal of the National Advisory Council on the Status of Women. The Human Resources Development Department has committed to continued and added support for and influence from gender equity activists through the platform for action. This department among many others has committed to the funding and advice of gender feminist NGO groups to implement their gender equality objectives.

We find that even the promotion and support of global gender equality is one of the mandates of the new human resources development. It applied to the department's funding radical feminists going to Beijing. It will apply to ongoing NAFTA labour agreements. Its mandate even applies to other international activities.

Nothing is free or even cheap in federal government. What will the new priority cost this department or other departments? In lean economic times should the limited resources and sadly needed resources of a human resources development department be used to realize the unwanted agenda of a powerful special interest group, or should its limited resources apply to the needs of real Canadians?

Instead of debating substantive and controversial policy issues such as the gender based employment equity contained in the platform for action and the federal plan for gender equality, we are debating a pro forma bill, Bill C–96, which actually offers nothing new, nothing fresh, nothing bold enough to reform this department or, more important, to reform federal–provincial relations. While RD is enacting fundamental, costly, revolutionizing social policy behind the scenes, Bill C–96 does not even have a royal recommendation attached to it.

• (1240)

I am sure however that the cost of implementing the plan for gender equality and the platform for action will be considerable not only in this department but in every department across government. This is an issue I intend to pursue. This cost will not only be in dollars but it will be in the weakened viability of our most precious societal institutions, and one such institution is our families.

The government's non–legislative agenda is of great concern to me. This non–legislative agenda permeates every nook and cranny of every federal department at this point in time.

Earlier the minister was saying that their policies affect the social fabric of the country. They certainly do. This one in particular strikes the very centre of our social fabric. The general secretary to the Beijing conference, Gertrude Mongella, declared at the opening ceremony of that conference that "all evidence points to a social revolution in the making".

The two documents I have mentioned, the ones going into this department and others, will have a profound effect on our governments, our laws, our society and our families. What Bill C–96 shuffles around on the surface and what we are talking about today actually belie a whirlpool of change underneath.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I always enjoy listening to the hon. member's speech, but sometimes I find that members of the Reform Party miss some major points in legislation. I will quickly review for the hon. member the major objectives of the legislation and what the legislation allows the federal government to continue doing.

Essentially it does a few things. It draws together portions of the former departments of employment and immigration, health and welfare, the secretary of state, and labour. The legislation will also allow the Government of Canada to continue improving employment programs and services for Canadians and building on what I consider to be significant achievements over the past two years.

We enacted some major changes to make student loans more accessible, flexible and sustainable, helping more than 300,000 students this year alone. The hon. member from the Bloc will know that because of the flexible federalism that exists in the country there is an opting out provision for the province of Quebec which allows the province of Quebec to administer its own Canada student loans program.

For the very first time the federal government moved to establish a special opportunities grant for individuals, like high need, part time students, women pursuing doctoral studies and disabled students. Through this department we have also created youth internship programs that have led to real jobs for some 27,000 young Canadians, which is 20 per cent more than the red book commitment.

We have approximately 130 Youth Service Canada projects across the country that give young people the opportunity to serve their community and to obtain valuable work experience.

• (1245)

Through effective partnerships with major industries and through the establishment of sectoral councils the government has been able to generate, for every federal dollar, $1.50 from the private sector because it believes the way to go in the new economy is through effective partnerships. We also have joint federal–provincial initiatives helping some 60,000 single mothers, older workers, aboriginals, young people get the new skills and new jobs.

Approximately $111 million has been spent on older workers. The government has invested in a program for older workers over the past three years to help displaced workers deal with the new dynamic configuration occurring in the Canadian economy.

The government has also done something that I believe is extremely important. In order to modernize the economy you must modernize the way government delivers its services. Services have been integrated and decentralized, moving from 450 to 750 points of service reaching smaller communities 24 hours a day.

We talk about family. We talk about our seniors. We talk about young people. We talk about providing all Canadians—we are part of the Canadian family—with better services. There are four times as many offices where seniors can get in–person service. That is a fantastic accomplishment.

The best technology is used to speed up service for UI. Processing time has been cut by two days. OAS claims have been cut from eight days to one–half day. We are focusing on employment programs that work like the self–employment assistance program from which 34,000 Canadians have benefited. They have created a job for themselves but more important, they have also created jobs for others. On its own this program has created 68,000 jobs.

The point I am making to the hon. member is if we are talking about the Canadian family, i.e. everyone who resides within this country, it is crystal clear the government has moved in a positive direction. I hope that once in a while members of the opposition would get up on their feet and applaud these excellent initiatives by the Liberal government.

Mrs. Hayes: Mr. Speaker, I am not sure if that was a question or a comment.

I enjoy the opportunity to answer my colleague's presentation. He talks about the Canadian family. I am talking about Canadian families, the root of our society.

I would like to reflect on what has happened in the last 20 years to Canadian families. In that time, especially in the last five years, youth violence has more than doubled. Real income, the amount of money a family has to support itself with, has dropped by some 6.5 per cent in the last five or six years because of taxation, because of government overspending and because of fiscal policies that are putting tremendous pressures on the people that are trying to hold this nation together.

Consider suicide rates. We have the third highest suicide rate among male youth in the world. The divorce rate has increased 10 times in the last 35 years and we are shuffling the chairs around on the deck saying: "We will spend more money".

What are the priorities of Canadians? Is it their priority to find out what government can do or what they can do in job creation? We want to put the tools in the hands of Canadians so they can create the jobs. It is not what government can do, it is what Canadians can do. Government priorities should not be prompted by special interest groups, but what Canadian priorities are.

The Canadian priorities are that their families be strengthened and that they be given the instruments to create their own future. That is exactly what the government's fiscal policies, justice policies and social policies are stripping away from those families. I put that to the hon. member who made the comments.

• (1250)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, I have a brief comment to make. I want to congratulate the member for the relevance of the example she gave with regard to the family. Indeed we can see how the government is giving itself a lot of leeway in connection with policies that it is presenting abroad as being Canadian without having them validated in the House or even commented on.

Based on this example, we have good reason to question the appropriateness of giving the federal government the responsibility it wants to give itself in clause 20 of the bill, for example, which says: "—the Minister may enter into agreements with a province or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate".

If this clause is left unchanged, and this is the question I will put the member, it means that the federal government can go against policies put in place by the provinces. Family policy is

an interesting example because choices in this regard may differ across Canada.

If clause 20 is left unchanged, it allows the federal government to interfere in areas under provincial jurisdiction, in areas where policies already exist. Does the member not agree that we should at least amend this clause by adding to it that, when agreements are signed with public bodies, financial institutions or any other person, it be done in accordance with priorities established by the provinces? I would like to hear the member's opinion on this subject.

[*English*]

Mrs. Hayes: Mr. Speaker, certainly as a Reformer and as a supporter of the accountability of programs being in the hands of those closest to the people who have to put the programs in place, I support the premise that the control of programs and decisions that are made be as close to the people as possible.

Every part of our nation should have the same input into what those decisions are. Certainly provinces can be deemed equal in the administration of the programs. The federal government's participation in those programs should be minimized as much as possible while maintaining the integrity and protection of Canadians across the system. The actual delivery of programs should be in provincial hands in an equal fashion from coast to coast.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C–96, the act to establish the Department of Human Resources Development.

The main object of this bill is to lend unified legal status to the department, enabling it to continue to assist Canadians in getting back to work. This is a housekeeping bill and is not intended to implement any major reforms. It does not call for any new organizational changes or new expenditures, and does not affect federal–provincial relations.

[*English*]

Bill C–96 draws together and consolidates the legislative foundation of the new Department of Human Resources Development. It does not add anything new or subtract from the foundation. It merely puts everything in one place. That in itself is important. It is plain common sense. For administrative reasons alone, it is far more efficient to have a single legislative basis for the department. However, there is more to this than mere administrative convenience.

When the government launched the department under the name of human resources development, it set the stage for a real change not just in name but in direction, in the way Human Resources Development Canada serves Canadians.

Over the past two years, HRDC has been changing, innovating and adapting to the realities of today's economy and today's labour market. It is modernizing the way it does business, the way it delivers the services Canadians need, the way it works for Canadians in the changing world. For the nine million Canadians who come to HRDC for help this is why Bill C–96 is so important. The bill provides the solid foundation the department needs to keep moving forward.

• (1255)

It is important to Canada's seniors. Last year the department completed the first year in a three–year income security program redesign project. Phase 2 is already well under way. The department is streamlining rules and procedures, developing the best technology available. The end result will be a fully modernized, efficient network for delivering services to clients of the old age security and Canada pension plan programs.

[*Translation*]

Once fully implemented, the new system will save taxpayers up to $100 million yearly in operating costs. Moreover, it will also provide faster service to seniors, the people who really depend on these programs for their security. For their sakes, let us ensure that the bill stays on track and is passed as quickly as possible.

Income security program redesign is only the start. As the minister has already announced in the House, Human Resources Development Canada has undertaken a complete review of its service delivery network, with a view to making it decentralized, integrated, user friendly and flexible. It will serve a greater number of Canadians everywhere in the country better than before. In reality, because of the new network, the number of departmental service points will be increased from 450 to 700 within three years.

These will include 300 Human Resources Development Canada centres, which will provide quality one–on–one counselling to clients; self–serve mechanisms such as telephone, interactive television and computer services, which will broaden access to HRDC services; up to 400 electronic kiosks, which means self–serve terminals will be available in communities throughout the country.

[*English*]

The department is already creating the most advanced, efficient service delivery network in the federal government. Work on developing new technologies for this new network is well advanced, with things like a national on–line labour market information system incorporating an electronic job search bulletin board. The system will help people do their own matching between their skills and the jobs available anywhere in Canada.

Pilot testing a new system called TELEDEC lets unemployment insurance claimants submit their bi–weekly report over a

touchtone telephone instead of by mail or in person. TELEDEC allows people to get their cheques two days faster.

TELE–APP, a new system being tested in partnership with NBTel allows people who have collected UI in the last 52 weeks to reapply using a touchtone phone.

APPLI–SYS, a touch screen computer program helps people apply for UI benefits more quickly.

Pilot testing document imaging begins the movement toward paperless claim processing.

Early results from these new systems are promising. They are just the first of a range of technologies from the Internet application to software training packages that HRDC will explore to provide faster, more efficient service.

We are bringing service delivery into the 21st century. In the process we are empowering more Canadians to help themselves.

[*Translation*]

One of the main objectives of the new service delivery network is to facilitate decentralization of the entire structure of departmental operations, to put into place programs and services within the community, to move decision making centres as close to the client as possible, and to get those most affected by programs and services actively involved in them.

• (1300)

For instance, the network will include community–based mechanisms which will involve input from provincial governments and business, municipalities and community groups, working as partners with Human Resources Development Canada.

With the human resources investment fund, we integrate these partnerships with our programs and services. Partnerships work, as seen from what has been achieved by sector councils that bring together entire industries and promote strategic initiatives with the provinces and co–operation with community groups across the country.

Take one of the youth internship projects, in Winnipeg, where 45 young people go to work every morning and go to school every afternoon. They acquire practical experience while taking courses that are relevant to that experience, and they are guaranteed a job when they finish the course.

[*English*]

What is really interesting about this project is that five major private sector firms in Winnipeg, for example, are not only taking part, they are taking the lead enthusiastically. It is not a case of government and business working on separate tracks; it is a case of partnership in action. This year alone there will be 25,000 young interns in similar projects across the country.

That is where the department is headed. It is a new direction for Human Resources Development Canada and it is getting real concrete results for Canadians, for seniors, for young men and women, for people working hard to develop new skills for a new economy. It is getting results for the single mother, who for the first time can now get a grant to help care for her children while she goes to school. It is getting results for the older worker who finds a lifetime job taken over by technology but now has a real opportunity to prepare for new work and find a new job. That is why this bill is important.

Over the past few years the transitional arrangements put in place to create the new Department of Human Resources Development have worked well. They have helped to put HRDC and our labour market and social programs on a new course. It is up to us to make sure the department can continue on that course. It is up to us to ensure the department moves forward and does so with a solid foundation. Bill C–96 provides that foundation. We need to pass the bill and get on with the work of serving Canadians.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, I was particularly surprised by the hon. member's remarks at the start of his speech, when he said the bill served to consolidate legislation and that it had no effect on federal provincial relations.

I would like to ask the member why, then, the Quebec minister of employment made the following statement: "Bill C–96 flies in the face of the consensus in Quebec that the federal government should get completely out of labour matters and give the budgets involved back to Quebec".

I would also like the minister to tell us why the Société québécoise de la main–d'oeuvre passed a unanimous resolution in favour of the bill's withdrawal, stating that Quebec should have sole responsibility for workforce adaptation policies and occupational training within its borders and should therefore have the funds the federal government allocates to these programs in Quebec.

I would also like the member to tell us why Ghislain Dufour, the spokesperson for the Conseil du patronat du Québec, known in Quebec for his federalist stance, said the same thing in the papers yesterday. According to him, if the federal government really wants to show its good faith in wanting the sort of change Quebec was seeking in the referendum, could it not, in this sector, at least have the decency as a federal government to correct its bill so the provinces could withdraw from its application, should they consider it relevant to do so, so that, in the end, the consensus in Quebec echoed by union federations, the Conseil du patronat, the party in power and the opposition may extend to all Quebecers? Why does the government not decide to give Quebec an opportunity to exercise its jurisdiction over

manpower? Have the promises of change made prior to October 30 already disappeared in a puff of smoke?

• (1305)

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, here again we have a Bloc member, a separatist member, who is babbling away in true separatist fashion, in a parochial manner, focusing exclusively and constantly on Quebec.

He should be talking about Canada as a whole, and considering how we can advance the cause of young people, single mothers, single parent families, and senior citizens. We are debating a bill providing the federal government with a structure to maintain and develop partnerships with the provinces and territories, management, labour, community groups and those involved in education, in order to reach common social and economic goals.

We are talking about giving young Quebecers, since he is only interested in Quebec, the opportunity to find out, via computers in their own area or community, if there are jobs outside their own parish, town, or province. They are given access to the labour market anywhere in Canada, and mobility throughout the country.

Mr. Crête: Mr. Speaker, if the hon. member does not want to answer the question from a bad separatist member, could he answer Ghislain Dufour, spokesperson for the Conseil du patronat du Québec, a recognized federalist, and Gérald Ponton, president of the Association des manufacturiers du Québec, who is not identified with the sovereignist camp either? Let the member reply to those people if he will not give an answer here, to the Bloc Quebecois, or to the Quebec government. Let him reply to the federalist Quebecers who unanimously support Quebec's consensus on the repatriation of jurisdiction in the manpower sector.

What is the member's answer to those people concerning Quebec's request that has been there on the table for five years?

Mr. Bellemare: Mr. Speaker, I find it funny that the hon. member for Kamouraska—Rivière-du-Loup has finally admitted that he is a no-good separatist.

Mr. Crête: I did not say "no-good".

Mr. Bellemare: I editorialized a bit; he is a separatist. I do not know if separatist is synonymous with no-good, but many in this country would say that the separatists are no good as a group but not necessarily as individuals.

Do you think for a minute that I will answer questions from Bloc members, from people who have led the province of Quebec in all kinds of directions, into a muddle, who drafted a referendum question that got everyone confused? Thirty per cent of those who voted yes thought they were voting for some kind of association and not for separation.

Bloc members, Quebec separatists and PQ members manipulated referendum scrutineers, telling them to reject ballots marked with an X that was too dark or not dark enough. There is an appalling number—this is unprecedented in Canadian history—except perhaps when Maurice Duplessis was in power. Maurice Duplessis may have come back as a Bloc member. During the referendum, these blockheads blocked some people's access to the polling stations.

If they did not like someone's face, colour or language, they stopped and harassed them to prevent them from voting. Then, after those Canadians living in Quebec managed to cast their votes, they would check to see if their X was a little crooked. Those with shaking hands were unfortunate because their votes did not count. I have never seen something as outrageous as the counting of the votes on the night of the referendum.

If you think I will answer quotes from a separatist—First of all, I would question the accuracy of his quotes and, second, I will not waste my time answering Bloc members.

• (1310)

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to take part in this debate on Bill C-96, to restructure the Department of Human Resources Development. I have been following the debate with interest ever since the minister made his presentation yesterday. I listened to the minister and his parliamentary secretary. I also listened to some speeches made by government members and the various questions that were asked, including the one put by our colleague from Parkdale—High Park.

I draw from all of this a vision of Canada. I am not one to impugn motives right off the bat. I noticed that speeches were high quality, and a number of general principles have emerged. Of course, other remarks, and those made by the previous speaker are perhaps an example of this, remind us that mediocrity is to be found everywhere, even in the House of Commons.

I would like to look back over the debate, because, as I listened, I could perceive two visions: the standard Liberal vision and the Bloc Quebecois vision. I will not deal with what my hon. colleagues from the Reform Party said, but I think that basic issues were raised by the Liberals that need to be pointed out and set in the context of this debate.

Basically, we are looking at the same mountain, except from different points of view. I think that the Minister of Human Resources Development was sincere in his presentation. What did this presentation contain? First, he described a vision of Canada, along with the federal government's responsibilities according to that vision.

I understood the minister to say that the federal government feels it has responsibilities regarding the development of human resources everywhere in Canada. That sector includes issues related to manpower, employment, education, daycare and, in

fact, anything that directly concerns individuals, such as their families, their training, their education and their children.

The minister told us that this bill merely seeks to provide a legislative framework for what is already being done in Canada, partly through the federal government's spending power, but also under the laws passed by this Parliament. I have seen, in my riding, some initiatives taken by the Department of Human Resources Development. I must say that, before coming here, I was not very familiar with the Canadian realities related to that department. I knew that there was an employment centre. I also knew that the federal government was involved in various ways, and I saw it take action.

I have no criticism of the way department officials take action. They implement the programs. They do so with the best of intentions and they also try to do it efficiently. Just think of programs such as Article 25, the employability development program, and also programs such as the youth service, or the access to work program for women, which is designed to help women who do not get UI or welfare benefits find work.

• (1315)

These programs reflect good intentions, as well as a clear desire to do the utmost. Through its initiatives, the department seeks to reach out to people in their everyday lives. It reaches out to individuals and community groups, and it signs agreements with municipalities. All this is currently taking place. It is being done and the bill before us seeks to provide a legislative framework for all these initiatives.

Clause 6 clearly states that the minister's powers apply anywhere in Canada. It says:

> The powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction relating to the development of the human resources of Canada—

That provision is extremely wide in scope. As for clause 20, it provides that:

> —the Minister may enter into agreements with a province or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate.

In other words, given the provisions of this bill, the minister may enter into agreements with anyone, so as to get involved in the education, manpower and employment sectors.

If we lived in a unitarian state, that might be a solution. Although Canada is a very big country, it has a rather large population and it could be said that, because of regional characteristics, it may be good to have some degree of decentralization so that local needs are taken into account by the minister.

But we are not in a unitarian country although a number of constitutional experts, considering the evolution of Canada, are not willing to say that we are in a federation, let alone in a confederation. But, in a federation, there are various levels of government and, ordinarily, these levels of government are sovereign in their jurisdiction. Canada is made up of provinces which, if we take a look at the Constitution, are supposed to have jurisdiction over education, training, over all the areas that have to do with Canadians as individuals, the federal government having kept, in 1867, jurisdiction over external trade, defence and the economy in general.

If we examine the bill and its objectives, we realize that this legislation which is now before Parliament will give a federal minister the right to interfere in areas under provincial jurisdiction. It is shocking. People of my race have found this shocking for years—and I use the word race in the sense of nation, as Mr. Duplessis did, since, moments ago, the member for Carleton—Gloucester reminded us of Maurice Duplessis. My people have always been shocked by these ways of doing things.

For us, it is not only a question of what we could call a constitutional orthodoxy, according to which the federal government should have no say in provincial jurisdictions, but there is also an element of efficiency because in Quebec—other provinces may do what they want in this regard—there has been a large consensus for years now. My colleagues talked about it, especially the hon. member for Kamouraska—Rivière-du-Loup, who raises the issue every time he has the floor. That consensus is that, for reason of efficiency, all the issues of professional training, manpower and employment must be Quebec's exclusive jurisdiction.

I think that is self evident. I do not want to repeat what has already been said by other Bloc speakers, but nonetheless, I want to relate a personal experience. A few years ago, I was a career counsellor in the professional training centre in Jonquière, which is the biggest training centre in the Saguenay—Lac-Saint-Jean region. At the time, we provided training in many areas: mechanics, plumbing, electricity, and so on. Every year we trained a group of students in industrial mechanics.

• (1320)

At one point, a study had concluded that industrial mechanics was a trade with a future.

What happened? Our school board kept offering a course in industrial mechanics to a group of about 20 students. The Government of Quebec, willing to provide training to social assistance recipients, commissioned the school board to train people in industrial mechanics—which made two groups—and the federal government also commissioned the school board to train two other groups in industrial mechanics.

Whereas every year we used to have one group of students in industrial mechanics, that year we had four groups. The school board, the Government of Quebec and the federal government did not consult with each other, everybody being busy with their own little policies.

What happened? At the end of the year, instead of 20 people applying for a job, they were about 80. As a result, most of them did not find a job, which killed the industrial mechanics option in the area for several years.

It is sad to see that people genuinely wanting to go back to the labour market were offered training for what was basically a dead end trade, not because studies promising jobs in that field were badly done, but because there had not been any consultation between the federal and provincial governments and the school board. That is what we want to avoid in Quebec.

In Quebec, we want to have a full employment policy, the same type of policy they have in Austria, in some Scandinavian countries or even in Germany. Those full employment policies usually produce unemployment rates of about 6 or 7 per cent, instead of the 12 or 13 per cent rates we have in Quebec and instead of the 15 or 16 per cent rates we have in my area, Jonquière, or in the Saguenay—Lac–Saint–Jean area.

That is what we want to do, but to do so, we need tools. We need co–ordination, but with the present practices in Canada, there is no co–ordination.

This is why everyone in Quebec, whether the Quebec Liberal Party, the Conseil du patronat du Québec, or central labour bodies—with the exception of the provincial wing of the Liberal Party of Canada—is calling for the return of powers regarding manpower training and employment policies to Quebec so that the province can set policies to ensure that people will get useful training, taking the present job market into consideration, and will not be the victims of jurisdictional disputes or arguments between public servants.

For four or five years now, the Government of Quebec, whether Liberal or Parti Quebecois, all governments of Quebec have been calling for training to be made the responsibility of the government of Quebec.

And what do we see this morning in the House? Bill C–96, which says exactly the opposite, which says that the co–ordination will not be done by the Government of Quebec. This bill tells us that the minister will be entitled, for each community, municipality or province, as he wishes, to present programs, to suggest actions to community groups in order for them to create jobs or to propose the hiring of trainees to employers.

This maintains the present policy, which is not effective. Despite all the good will, despite the relative success of some federal or provincial programs, we realize that we do not have the expected results when we take into account all the money invested and all the skills called up in both the federal and provincial public services.

Why is that? It is not due to ill will or lack of skill; it is simply a matter of organization. Things are poorly organized, and in order to properly organize manpower training, to properly organize employment policies, there must be only one decision maker.

In Quebec, past and present governments, Liberal and PQ alike, unions and business owners' associations, everybody says unanimously that, considering the circumstances, considering the history, considering the needs, considering what is in place right now, it is the Government of Quebec that should have the responsibility for co–ordinating all these policies so that we can one day train our people properly and have a full employment policy that makes sense.

• (1325)

The bill before us means exactly the opposite. This bill says no. The consensus in Quebec is totally useless because a minister in Ottawa, the Minister of Human Resources Development, will have the power to develop programs and enter into agreements with provinces, municipalities, community groups, and individuals, implementing these programs in order to help Canadians get better training and better jobs.

By saying "to develop programs", we are referring to money, because, in the end, it is always a matter of money. In fact, there is always a relation between any given program and the funds allocated to it by the Minister of Finance. So, a proposal is being made to Canadians, even in my riding, where people voted—one mentioned that the sovereignists were defeated in the referendum, but it fact they received almost 50 per cent, or 49.4 per cent. In my riding, however, it was 71 per cent for Quebec's sovereignty. You cannot ignore 71 per cent of the population. My riding came third in Quebec, after the riding of my colleague for Charlevoix and the riding of my leader, the Leader of the Opposition. This is no mean feat.

In a sovereignist region like ours, people are still getting involved in the process, so they keep asking Quebec to fund certain programs and they request funding under some federal government programs. People know perfectly well that something must be done, in Quebec and Canada, as far as training and employment are concerned.

People are not as partisan as some others, and in any case—I am not sure this is parliamentary—people are not against the federal government's involvement, even though they may have very deep–rooted sovereignist convictions. People are concerned and ask themselves: Will there be someone, one day, to make a decision and give us employment policies which are worthwhile?

We do not see any hopeful sign coming from the government side. We do not see any in the area of manpower and, as we have

seen this week during Question Period, we do not see any hopeful sign either in the area of constitutional reform.

I have the distinct impression that eventually, when the question is asked next time, people are going to give the answer that the Quebec sovereignist movement has been waiting for for so long. Why? In order to have effective policies and a state which is efficiently managed, so that its citizens get their money's worth. Taxpayers want effective programs. It is not by stepping on each others toes, as we are doing now, that we will get valid manpower and employment policies.

I hope that the House will support the motion from my colleague from Mercier and that this bill will be sent into oblivion as quickly as possible.

[*English*]

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I want to speak on debate, but I also want to embellish my fan club member from Simcoe Centre. He does well to applaud before because he may not applaud after he hears what I have to say.

After reading the title of the bill, we realize it is just another piece of legislation, typically dry, typically complicated. It is easy in that context to lose sight of what the bill is about. Bill C–96, which I am happy to address for a few minutes, does just one single thing. It has a very simple and single purpose, and that purpose is integration.

• (1330)

My friend from Crowfoot would understand all about integration. Any party that can get the member for Simcoe Centre and the member for Crowfoot at the same caucus table understands integration, I submit.

[*Translation*]

I would also like to emphasize to my colleagues in the Bloc that this bill is about integration, and just that. It will consolidate the legal powers of the original departments in a single piece of legislation that is clear and coherent.

This is the only goal of this bill. It does not provide new powers or establish new programs. It does not add anything to or take anything away from the powers of the human resources development department.

This bill is merely an official document that puts the integration of social programs and labour market programs in Canada on a sound footing. That is important. But the underlying principle of this bill is even more important, that is the implementation of an integrated approach to human resources development in the new department.

[*English*]

I recognize that my friend from Mercier has an amendment to which technically we are speaking right now. That is another debate. This is really about bringing together a number of functions that heretofore had been under the umbrella of several departments of government.

I say to my friend from Port Moody—Coquitlam we have to make up our minds about what we want. I heard critics of the government at one point talk about duplication of effort, doing several things, the left hand not knowing what the right hand is doing. Then when we come up with what I believe is an absolutely laudable effort under Bill C–96 to bring together some functions, so we do not have that kind of duplication, we are accused of just shuffling the chairs.

It is difficult to do the right thing? No, it is not difficult to do the right thing, but it is difficult to be seen to be doing the right thing if somebody has a cliché to cover every situation, even if some of the clichés are mutually exclusive. Which are we doing, unnecessarily duplicating effort or just shuffling the chairs?

I listened with interest to her speech, as I did to the speech of my friend from Jonquière, whom I always enjoy. We do not always agree, but he has a real ability to state his argument in a very reasoned way. I have always admired his ability to do so.

I want to come back to my friend from Port Moody—Coquitlam. In her speech she said something that was rather curious, about the bill's not having a royal recommendation. I wanted for the record to come back on that one. If she looked at the bill, she would realize that what she says is not true. It does have a royal recommendation. There are several proofs of that in the documentation she has in front of her. If she looked at the Order Paper for today, where Bill C–96 is listed, she will find a little "R" beside it. That means that this bill has a royal recommendation. If she does not believe my word, she should look at the bottom of the page, because it says at the bottom of the page "Recommended by the Governor General".

If she wanted to actually look at the bill, and far be it from me to suggest she did not look at the bill, her own words almost condemn her on this point. If she had taken the time to open the cover to page 1A, the very first page inside, the very first thing she would have seen would have been "Recommendation. His Excellency the Governor General recommends to the House of Commons", et cetera. That is the royal recommendation she says the bill does not have. I can only hope that the rest of her input was more informed, because that one was dead wrong.

• (1335)

With this bill the Department of Human Resources Development brings under one roof all of our efforts to help Canadians

achieve their full potential in our society and in our economy. Within a single department we are going to have programs and services under this bill that will help people who are looking for work find and hopefully keep jobs. It will help the employers find the people they need. It will provide services that will help both workers and employers under federal jurisdiction to maintain fair labour standards and a safe work environment.

It will provide services that will help people between jobs, Canadian seniors, families with low incomes, and people with disabilities to get the income support they need. We will have under this umbrella department services to help people get training and to develop new skills for an economy that is always changing. It will provide services that will help local businesses and communities and entire industries to target the skills of the future and build a skilled workforce to keep Canada competitive and prosperous in a changing world.

I think this integrated approach makes sense. It recognizes that in reality people do not neatly fall into tidy little categories. A young person looking for work may really need to get back to school first. She may also be a single mother and the lack of good child care support may prevent her from taking a course she needs. The person with a disability may be quite capable, willing and eager to work, but also needs help meeting special medical costs. The older worker displaced by technology may need income support, but in the long run he or she needs help retooling and adapting to a new labour market.

By bringing all the different programs these people need into one department we have taken the first step toward making sure the programs work together to provide meaningful co–ordinated solutions for the real world. By taking that first step we set the stage for real integration in the way programs and services are delivered to Canadians. For example, employment and UI services used to be delivered through Canada Employment Centres. Canada pension plan and old age security and guaranteed income supplement services, which used to come from a separate department, were delivered through separate client service centres. Now we are bringing all these together in new human resources centres across the country.

Let us face it, when someone comes looking for a service they could not care less which particular program, branch, or department delivers that service. The last thing they need is to be sent running from one office to another to obtain those particular services. Combining those services in one location means reduced overhead, reduced administrative costs, and more importantly it means people getting better access, with one–stop shopping for all federal social security and labour market services. The ability to access those services under one roof on the part of the client is the real immediate benefit of the integration this bill provides for.

• (1340)

The new service delivery network the Department of Human Resources Development is developing goes a bit beyond that. It goes well beyond that. The new network will make a new kind of integrated service possible, one that is more flexible and responsive to changing needs and circumstances. A fundamental goal of this approach is to ensure that integration takes place at the local level by locating the decision making and even the design of services at the local level instead of highly centralized and compartmentalized programs dictated from a headquarters somewhere.

Ultimately each human resource centre would become an integral part of the community it serves. Decisions about what kinds of programs make sense in that community will be made in that community by the community. To make this work we have to completely rethink the way we define programs and services. We cannot say to communities across Canada here is a program and here are all the rules you have to follow, do it our way or not at all.

[*Translation*]

We cannot tell people: "We will enrol you in this program even if you do not need it because it is the only one we can afford".

We want to be able to tell communities and individuals: "Here are the basic tools that have proved useful. Here is the money and the resources that are available. It is up to you to decide which tools you want to use and how you can use those resources most effectively. You should not worry about the restrictions of the various programs. The only thing that matters is the task at hand".

[*English*]

We have developed an increasingly sophisticated and effective set of employment programs, a set of tools to help people develop new skills, gain work experience and find jobs. Our challenge is to integrate these two components to build a single integrated employment system that people can turn to not just for a cheque but for help to get back into the workforce. This means finding a way to combine that essential system of income protection provided by UI with an effective active system of empowerment, a system that gives people the resources and the opportunity to make choices about the kinds of jobs they need, the kinds of skills that are required, the kind of future they want to build for themselves.

For example, we are experimenting with a form of internship with small businesses. These are companies that desperately want to hire new workers but cannot afford the training new workers require. With this program, we help them hire young people, older workers, women coming back into the workforce, and we provide some support to pay for the learning curve, the time it takes the workers to become fully productive in their new jobs. That experiment is already beginning to show some good results. Small businesses are creating permanent jobs for unemployed Canadians. That simply would not exist otherwise.

Let us look at another example. Over the past year we developed a program for self-employment under unemployment insurance so that people have a choice: rather than simply collecting benefits and waiting for a job to come around, they can create their own jobs. The department provides some financial support, mentoring and counselling to help participants get their businesses started. Over the past year 30,000 individuals have started up their own businesses through the unemployment insurance program. They have created not just 30,000 jobs, but 60,000. Not only are they helping themselves, they are helping other unemployed Canadians to get back to work.

• (1345)

That is the kind of thing that can happen when we stop thinking in terms of separate compartments and start thinking in terms of integration. By bringing together the full range of Canada's social and labour market programs, we are setting a new course and making a real difference in the lives of Canadians.

Bill C-96 provides the basis for this new direction. It ensures that the structure is in place for the federal government to continue bringing programs and services together, working with our partners in the provinces and communities across Canada.

As we debate all of the detailed clauses of the bill, let us not forget what the bill is about. It is about making this kind of integration possible. It provides Canadians with a future which is full of new possibilities. That is what the bill is about.

Implicitly the bill is not about several things. It is not about shuffling the chairs, as someone has said. It is about trying to eliminate the unnecessary duplication, unnecessary inconvenience for clients, Canadians across the country who demand and have a right to certain services from government. They demand and have a right to services which are provided at the least possible cost, in the most efficient manner and at the least inconvenience to the taxpayers.

The bill brings together various functions of other departments, including the Department of Health, the Secretary of State, the former department of labour, as well as the Department of Human Resources Development. The bill seeks to consolidate in a manner which gets a bigger bang for our buck. At the same time, it is not meant to underline the role of the provinces, as has been suggested. That is another debate for another time. This is simply a bringing together of several functions which have always pertained to the federal government and will continue to do so until some level of government decides otherwise.

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 1:48 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I think you would find unanimous consent for the following motion. I move:

> That the vote on Bill C-94, previously deferred until November 20, 1995, be further deferred to the conclusion of Government Orders on Tuesday, November 21, 1995, and that any recorded division which may be requested on Bill C-317 later this day be also deferred until the conclusion of Government Orders on Tuesday, November 21, 1995.

(Motion agreed to.)

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADA LABOUR CODE

The House resumed from October 17 consideration of the motion that Bill C-317, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services), be read the second time and referred to the Standing Committee on Human Resources Development.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would like to begin my remarks with a quote by the present Minister for Human Resources Development who said, on November 23, 1994, in a letter he sent me: "I wish to inform you that I am presently examining all aspects of the Canada Labour Code, including the issue of limiting the use of replacement workers, with the view to updating and improving the code to bring it more into line with today's realities". We are now in November 1995, and we still have not been given any notice that this overhaul of the Canada Labour Code would take place.

• (1350)

In the meantime, a member of the Bloc proposed a private bill, which is before us today and which, in my opinion, makes good horse sense. There has been anti-scab legislation in Quebec since 1979. We have witnessed a 35 per cent decrease in labour disputes in Quebec since that date. This has led to decreased tension in labour relations, and has avoided very awkward situations that would have ended in unacceptable assaults.

To find out what occurred in Quebec before the adoption of anti–scab legislation, one need only remember the Ogilvie conflict. Unfortunately, this company came under the Canada Labour Code which contains no anti–scab provision, and that poisoned labour relations.

Learning from this experience, learning from what has been done in Quebec in this area, it would be very important for Parliament as a whole to pass this anti–scab legislation at second reading.

On October 17, 1995, the member for Glengarry—Prescott—Russell said that it was not appropriate to amend only one aspect of the Labour Code, that it was not the best way to proceed, and that the whole code should be revised. I recall last year's statement by the minister who said that we cannot wait forever for the government to act, if it does not take action. I believe that when a member chooses as a vehicle a private member's bill, and proposes an amendment which could improve Canadian legislation, it should be taken advantage of and that he should be given as much leeway as possible.

This kind of legislation, which will make it possible for all Canadian workers to be covered by anti–scab legislation, is something of a sign of respect for workers. In the past, gains were made by labour unions, and also by the population, in Quebec, for instance, where minimum working conditions are set out under legislation which is a bit like the collective agreement of non unionized workers. This is why, if we passed anti–scab legislation which covered federal civil servants as a whole, it would somewhat remedy an unacceptable situation. I think this could be compared to the minimum wage issue.

A few months ago, it was because the Bloc questioned the fact that the minimum hourly wage within the federal government was still four dollars that the government reacted, a few weeks later and rectified the situation by order in council. This is completely unacceptable.

Now we are faced with another situation in which the inaction of the present government and of preceding governments as well is perhaps more of an ideological choice. We have to remember that some of the members of this government voted in favour of the recent anti–scab legislation tabled in the House. A number of these people are now in cabinet, and it would be most inappropriate for them to vote against the present bill.

The advantage of such a private member's bill is that it does not necessarily require party solidarity. It will be a recorded division. So we will have an opportunity to see whether those in favour of anti–strikebreaking legislation a few years ago, who are now members of Parliament, will be consistent and let Canada give itself legislation that—I would like to say, will set the record straight—will give workers governed by the Canada Labour Code the same rights as Quebecers.

This is all the more important given the example we have just seen in Ontario.

• (1355)

The Government of Ontario decided to abolish this right. I believe that in the coming years we will witness disgraceful acts, bodily assaults; relations between employers and employees will grow more bitter and create all kinds of problems that the antiscab bill prevents.

To give a concrete example of this, one or two years ago in Quebec, the Conseil du Patronat du Québec had a favourable judgement from the Superior Court which would have allowed it to have the antiscab legislation quashed by the Supreme Court. We are not talking of a union here but of the Conseil du Patronat du Québec. They thought preferable not to take their case to the Supreme Court, even if they could have won in that instance, because they realised, in the time it took to get that judgment, that, in a majority of cases, antiscab legislation contributes to better labour relations.

Let us remember what happened as regards the definition of essential services. During the first few years, there were a few problems: what should be considered an essential service and who should define them? We used the experience we had gained so far to come up with the most adequate bill possible, in order to give the workers who come under the Canada Labour Code the opportunity to be properly covered and also to give the employers who are subject to this code the chance to enjoy better labour relations.

With an antiscab legislation, we will not have to deal in the future with so many situations as the one we had with the Ogilvie workers.

This is why I would ask members of this House to put their partisanship aside for the second reading of this bill and to determine if, given the way they perceive quality labour relations in the future, in the 20th century, it would not be better to pass this piece of legislation, to promote it internationally and to gain from Quebec's experience in that field?

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I too rise today to speak on Bill C–317, an act to amend the Canada Labour Code and the Public Service Staff Relations Act to prohibit the use of replacement employees during a legal strike and to maintain essential services during a work stoppage at a crown corporation or in the public service.

I shall confine my remarks to those matters pertinent to the Canada Labour Code but I would like to say a few words about the Public Service Staff Relations Act.

As members opposite may know, it was under a Liberal government that federal government workers gained the right to strike. However, it was also recognized at that time, 1967, that the rights of federal government employees to strike could not

be absolute. There are health, safety and security considerations that come before the employees' rights to engage in job action.

As a result, the Public Service Staff Relations Act provides for the right to strike but it ensures that services which are essential to the health, safety and security of Canadians are maintained during a legal work stoppage. The act does this by permitting the employer to designate three months prior to the notice to bargain the positions that cannot go on strike because they are essential to the health, safety and security of the Canadian public.

In addition, the employer has no right to lock out employees under the provisions of the act. This approach is a reasonable one and it is not clear to me why the member across the way would want to change this.

I read very carefully the member's speech of June 15 when he discussed the intent and provisions of his bill. I really must question some of his exaggerated comments. For instance he says:

> A strike broken by scabs is no strike but a right to strike hypocritically denied. Either we are for the right to strike, a basic right won by workers after many years of fighting, or we are against. If we are in favour, we will not undermine, either directly or indirectly, the workers' sacred right to strike—

• (1400)

Surely the member would agree with me that no right is absolute, let alone sacred. The Canadian citizenry, employers, managers, entrepreneurs and employees, all know there are limits to every right, including the right to strike. That is only common sense. Even the right to free speech is not absolute. To use a famous example, we do not have the right to scream "fire" in a crowded theatre. So it is with the right to strike. It too must have some limits.

I also note that in his speech the member referred a number of times to the three provinces, Quebec, Ontario and British Columbia, that have anti–replacement worker legislation. The member must be aware that as of last week only two provinces currently have such legislation.

I want to draw attention to the views of a distinguished authority on labour relations, Mr. Paul C. Weiler. For those who do not know this gentleman, he is a Canadian labour lawyer who at one time chaired the British Columbia Labour Relations Board. Under his guidance the British Columbia board was responsible for introducing a number of progressive innovations in labour relations. His work has been praised by neutral observers and union leaders alike.

Mr. Weiler is now teaching labour law at Harvard University. Recently he served as chief counsel to the U.S. Commission on the Future of Worker–Management Relations. I am saying all this because I want to quote Mr. Weiler who wrote:

> For employees who may have spent 20 years with a company building up a wealth of experience and seniority that can rarely be duplicated elsewhere, the stark reality is that if they do go on strike, they can be replaced by the company with people who, in less than 20 minutes on the job, gain permanent priority over the striking veterans.

Clearly the American practice is unacceptable, but while Mr. Weiler is strongly against the hiring of permanent replacement workers, he does not favour the Quebec solution. He speaks about this:

> The type of alternative rule that I favour exists already in Ontario labour law, which grants lawful strikers a right to return to their jobs for a period of up to six months after the beginning of the work stoppage, even if their return will dislodge newly hired replacements.

He states unequivocally that he does not "favour adoption of the recent response of Quebec labour law to this problem" whereby the government "effectively requires employers to shut down at least the bulk of their operations because they are legally prohibited from using any non–managerial personnel to replace strikers".

I am not saying that I agree with everything Mr. Weiler has said, but I do think that the issue is not clear. If this highly regarded expert in industrial relations, as strong a supporter of the collective bargaining process as we will find anywhere, does not favour a ban on the use of replacements, then I as a federal member concerned with the interests of the country as a whole must proceed cautiously and thoughtfully on this question and be open to the arguments and concerns of both sides.

Labour law is about balance among other things. We need to balance the rights of workers with the rights of employers. We need to balance equity concerns with growth concerns. As national legislators we must be interested in policies that increase democracy at work and give greater protection to workers and in policies that encourage the efficient management of enterprises. We must also be sure that we know the priorities of the workers.

There are a number of issues of concern to workers on matters related to labour standards, occupational safety and health, employment equity and industrial relations. These issues are best dealt with through the consultation process involved in a comprehensive and careful review of the federal labour code.

The member across the way I am sure knows that such a review is presently under way in the House. It is a timely undertaking since a complete review of part I of the Canada Labour Code has not been done in over two decades.

• (1405)

Since last winter federal government officials have been having discussions with labour, management, academics and others. The review is now in the capable hands of a task force headed by Andrew Sims, former chair of the Alberta Labour Relations Board, a man well qualified to lead the task force. Rodrigue Blouin from Laval University, and Paula Knopf, a

Toronto based mediator, are the other members of this task force.

The task force is mandated to look into a number of critical labour relations issues including those raised by the member in his bill. I have considerable confidence in the task force and I might add in the Commission of Inquiry on Labour Relations at West Coast Ports. Both are comprised of very knowledgeable, dedicated and highly regarded experts who I am sure will have important things to say on labour relations.

I agree with those who argue that once we have had a chance to study and discuss the findings and analyses and the recommendations of these two groups, we will be in a much better position to decide on the questions that concern the member and indeed all of us in the House.

The review of the Canada Labour Code is taking place while the Canadian workforce is in the midst of profound transformation. We need to take account of new computer technology among other factors transforming our workplace. The emphasis is now on flattened hierarchies, decentralized decision making, flexible production systems, work teams, high quality products and services and continuous learning.

Labour has generally not shown opposition to technological change. However, with the pressures which come to bear on us as Canadian legislators it is important and fortunate for us to have this discussion in the House.

It seems to me that because this change is occurring, reform to the federal law should be studied very carefully. We would not be doing anyone any favours by acting in an imprudent and precipitous manner.

Whatever the merits of the member's bill, those who have been telling the member to wait until the court review is completed are right. It seems to me to be common sense that we wait on those results.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it is a delight to enter into the debate on Bill C–317, a bill that would cause certain amendments to be made to the Canada Labour Code.

The hon. member who has proposed this bill and its amendments to the code has a very good motivation in standing up to try to defend the workers. The country is very dependent on its labour force in order to continue to enjoy our high standard of living. The bill is certainly in the best interests not only of the workers but also of the companies involved, the organizations, the rest of Canadians and customers both in Canada and around the world. They benefit from Canadian products if the workforce is very well organized and works efficiently and smoothly.

What is being addressed here is the problem of a dispute. What happens when the firm that employs the labourers and the labourers cannot reach an agreement? Sometimes these disputes are over wages. Members will agree that there have been occasions where employers have been unfair to workers with respect to wages. Even more important, there have been a number of occasions where the workers' safety is at risk and the employer is unwilling to spend the money or to take the necessary measures to protect the safety of the workers.

Bill C–317 proposes that if any of these disputes regardless of their origin result in a strike, then as that strike is a hard won right of the workers, it should not be reduced or eliminated by the hiring of replacement workers. To me that is one of the solutions. If we are to provide that workers cannot be replaced, that considerably strengthens the bargaining position of the workers in areas of dispute.

• (1410)

However, we need to ask whether this is the best way of solving the problem. I propose that it is not. While we are saying the worker is having his hamburger taken away from him, what this bill proposes is to simply give him ketchup on the hamburger. What I would like to propose is that we offer that worker a good Alberta steak instead.

What am I talking about? I am talking about ways of dispute resolution. Having worked in this area for a number of years as a representative of people who were employees in a professional association, which to a degree is a euphemism for a union, because we did collective bargaining, I believe very strongly that the very worst way of dispute resolution is that of the strike, because no one wins in a strike. When there is a strike and business is shut down, or in my case the educational institution is shut down, the students, the employees, the instructors, and all of the other employees in the work suffer because of a loss of wages during the time of the strike.

In the case of industry across the country, not only our own domestic customers suffer but our customers around the world suffer when our businesses are put on strike or when our transportation systems fail because of strike or our communications systems are brought down to their knees because the employees refuse to work and no one else is ready and permitted to work in this area.

What then is the solution? If it is not a strike, what can be done? There are many, many other areas of disputes in which we do not resort to strike. For example, if there is a dispute between one of us and our neighbour as to where the boundary should be, we do not proceed to put something in front of their driveway so they cannot get out of the house in the morning. That would not be an acceptable way of solving that problem. Instead, we go to

the authorities. We may get surveyors in to make sure the boundaries are clearly marked. When that is done and if your neighbour still does not agree to it, then we may go to a court of law.

I propose, and I have experience in this and it works very well, that what we need to do in the case of a dispute between employees and employers is to have an orderly mechanism that works to solve this problem, so that the workers, the employers, all of the customers, all of the citizens, and indeed our reputation around the world for timely delivery of goods and services can be maintained. It would help us in the long run because of the reliability that would be automatically assumed when people around the world place customer orders with Canadian firms.

I am proposing that we should be using a dispute mechanism that involves some sort of a hearing, a court, an arbitrator, something that is final and binding.

I have had firsthand experience with this. I had the honour of being chosen by my fellow instructors, way back in 1982, to be the founding president of our staff association. I had considerable input. It was not a one–man show by any means, but I had considerable input into the formulation of our first collective agreement, which then became the pattern for all subsequent agreements at the Northern Alberta Institute of Technology, where I worked. Many of the items in that contract persist to this day. One of the things I pressed for very strongly was that we would immediately bargain away our right to strike.

• (1415)

We built into our contract and the constitution of our association a mechanism that provided for a dispute resolution with time lines. So many days prior to the expiration of the contract we had to give notice of our desire to enter into negotiations, and if we did not the employer might. If neither of us did, that was a tacit understanding that we would carry on with the current agreement. After so many days of that happening we had to have negotiators in place. After so many days we had to lay our opening positions on the table. After so many days if an agreement had not been reached we had to name an arbitrator. And so it went. It was all set up in such a way that prior to the expiry of a contract the new contract would be in place by one means or another.

A very important problem developed. With that contract we had an excellent mechanism and did not have any strikes or work stoppages. Unfortunately the Government of Alberta played its hand. I need to say this because there are dangers in this type of a system. When we went to the arbitration system the government passed a law that stated that in the case of an arbitration the arbitrator must take into account the policy of the government. Unfortunately the government was our employer. We were in the situation of being in the boxing ring and our opponent happened to also be the referee, which made it very difficult to get fair settlements from then on.

If the mechanism is truly independent of any pressure from either party so that there can be a really justified way of reducing the problem and dispute to a resolution, that is by far the best way.

If we are not going to go for things like final position bargaining or arbitration as the method of solving labour disputes, we will continue with these very wasteful and hurtful strikes. Instead of supporting this bill, which would only strengthen the dispute mechanism of striking and fighting with each other, I would like to propose the opposite: that we move toward a more rational system of dispute resolution, which would benefit us all.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I am highly tempted to dedicate this speech to the government whip, but I will resist the urge.

It might a good idea to remind everyone of what this bill is all about. Thanks are due to the member for Manicouagan for having introduced this private member's bill, the purpose of which is to prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code or of the Public Service who are on strike or locked out.

Why did I insist on reading the purpose of this bill word for word? Because the bill under consideration is a logical follow–up to rights workers presently have, the right to unionize, the right to strike. What surprises me, in the statements I heard from the government majority as well as from the Reform Party, is that they claimed that providing anti–scab mechanisms would hinder any attempt at mediation prior to a strike.

Members will agree that, in a labour organisation, a strike is a final step and it is defined as such by the legislator. No parliamentarian wishes to see strikes become a spontaneous solution in the workplace. Everybody agrees on the fact that any group that goes on strike was forced to do so by circumstances. Adopting antiscab legislation does not spare us the previous steps.

I cannot see why government members as well as our Reform Party colleagues have presented this bill as a rather sorry mess without going into this kind of nuance that we feel is very significant. Worse still, the parliamentary secretary to the Prime Minister—whom I usually respect and will continue to respect as long as you are in the Chair—argued that this measure was put forward by the Conservatives in Ontario.

• (1420)

First, you will allow me, Mr. Speaker, to ask the parliamentary secretary not to quote that government too often. I do not think that government should serve as reference to the government majority unless, as we suspected, blue or red in Ottawa amounts exactly to the same thing and that no distinction has to be established.

Until very recently, three provinces making up 70 per cent of the labour force were protected by antiscab provisions. What did this have as a concrete effect? Two things. As we have said on several occasions an antiscab legislation brings an element of civility, of courtesy to a power relationship that could be tempted to break negotiations. That is the first thing.

What very concrete effect does this have? When we look at the specialized literature on the subject, we learn, and that has been a powerful argument raised by the member for Manicouagan, that in provinces where there are laws such as this one, labour disputes do not last as long. I think this is an objective which must be supported.

It is not the first time that we have a legislation such as this one. In its time, the NDP suggested a similar provision. The member for Richelieu did so in a more recent past. Yet, no agreement was achieved, they were not successful in ensuring that a provision, without being insignificant, would be a tool for the legislator, a tool for those who are concerned with labour relations and a tool for the management of human resources.

What do we say when we are in favour of a provision such as this one? We say that, a few years ago, as a society, the people of Quebec and Canada democratically voted for a recourse, and that is the right to strike. Admittedly, this is a last resort. A strike is never fun for the union, the workers or the employer, because this has to do with carrying out work.

When there is a work stoppage, we can all agree that, unavoidably, the economy in general is affected. This kind of situation is not desirable. Once it has been democratically recognized by a society—and you will recall that, around the time when discussions started, people used to say, even in the public service, before there was a legal right to strike: "The Queen does not negotiate with her subjects". I am sure that those of us who are older will remember. For me, this is history, but some were there when all this was happening.

Once the choice has been democratically made to give workers the right to strike, we, as legislators, have the duty and responsibility to ensure that strikes are carried out with civility and without violence.

When you have workers who get up every morning to earn a living, who must go on strike for various reasons including improved standards and better salaries, and who see their jobs threatened by scabs doing their work, you end up with a potentially explosive situation.

As even the political neophytes among us know, without antiscab legislation all long term strikes involved violence.

We as legislators—and I am sure my colleagues across the way will agree—have a responsibility to ensure that the people who exercice their right to strike, a right that is recognized and well defined, can do so in the right conditions.

I did not quite understand the comments made by the previous speaker, who, as we know, is rather easy to get along with. He seemed to be saying that they would rather try to use existing mechanisms. That goes without saying.

• (1425)

Furthermore, the hon. member for Manicouagan, wise man and experienced parliamentarian that he is, provided in the legislation a sound instrument known as an essential services board. This is to say that, even in cases where the final step, a strike, is taken, it will be recognized that nobody can be taken hostage because a democratic right is used, and that certain conditions have to be met, a notice has to be given and essential services have to be maintained.

Where have all the true Liberals gone? People on the other side—the government whip among them—tell us that they are Liberal in the noble, true and historical sense of the word. They tell us they are Liberals. To be a Liberal, to be a liberal, is to recognize a number of rights in a very clear context.

What are they afraid of? I would like to ask them, through you, why they are afraid of such a bill. Is it because workers will be able to exercise their democratic right to go out on strike? If this legislation is not passed on the pretext that it is incomplete, this will bring us back to a dramatic truth about this Parliament, which is that our labour minister is a time shared minister, a part time minister. A full time minister would have had taken her responsibilities. Since it came into office two years ago, this government has had ample time and opportunity to introduce a major revision of the Labour Code.

We have a part time minister, and the government whip will agree that this is why we are in a deplorable situation where the Labour Code has not undergone a major overhaul.

This is a balanced and democratic bill. It reflects values that are widely recognized in our society.

If the government majority went so far as to oppose this bill, I am sure that the price it would have to pay would be extremely high, both in Quebec and elsewhere, because workers under federal jurisdiction have the right to be legally protected against the possible use of scabs.

You are indicating to me that my time is up. My colleagues will be disappointed, but I will use this last opportunity to urge them to adopt such a bill.

The Acting Speaker (Mr. Kilger): The hon. member for Manicouagan, who presented this motion to the House, has indicated to the Chair that he would like, if possible, with consent of the House, to take two minutes to close the debate. But I want it to be clearly understood that after the House gives its consent, the member will speak to close the debate, which

means that nobody else will be able to speak after that even if there is some time left.

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, first I would like to thank, naturally, all those from each party, who made the effort to speak, to express their personal opinions and that of their party.

I am sure we have made progress, ideologically speaking, in many areas. We have also had the opportunity to understand somewhat better the more radical positions of certain other individuals and certain other parties.

I heard certain key words, like "wait". This bill is a bit too early, we have to wait for the upcoming reform. I say that, if we have to wait, why not wait for third reading on this? It might perhaps provide an opportunity for the Code to get out in the meantime. This business about waiting, you know, it is not our fault if we are ahead. We are what we are in the Bloc.

Bill C–317 provides a good opportunity for social advancement and for respect of those who keep the economy moving, that is, the workers, and the employers too, because Bill C–317 has the highest regard for employers, as it indicates.

I would simply like, at this point, to repeat my thanks to all those who felt it was worthwhile taking part.

The Acting Speaker (Mr. Kilger): I thank all the hon. members for their co–operation. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to the order made earlier today, a recorded division on the proposed motion stands deferred until Tuesday, November 21, 1995, after Government Orders.

[*English*]

It being after 2.30 p.m. the House stands adjourned until Monday, November 20, at 11 a.m., pursuant to Standing Orders 28 and 24.

(The House adjourned at 2.41 p.m.)

HOUSE OF COMMONS

Monday, November 20, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

ENDANGERED AND THREATENED SPECIES ACT

The House resumed from June 20 consideration of the motion that Bill C–275, an act respecting the protection and rehabilitation of endangered and threatened species, be read the second time and referred to a committee.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, not long ago Bill S–7 was introduced through the back door by the government and passed into law without serious thought about its long term consequences.

With Bill C–275 we again see Liberal environmental policy being brought to the House surreptitiously. Why do I say this? By a curious coincidence, a discussion document issued by Environment Canada last winter contains, almost verbatim, material now incorporated into Bill C–275.

For example, section 9 provides for the prohibition or restriction of any activity deemed threatening to an endangered species on privately occupied land under federal jurisdiction or, with provincial consent, on any provincial lands.

That clearly threatens grazing and timber leases in western Canada. Also, according to the definition in the bill of provincial lands it threatens any private lands registered under provincial law. So much for property rights.

What evidence would the environmental bureaucrats need to designate a species as endangered and its habitat as protected? Pursuant to section 4 the minister would have the arbitrary authority to declare a species endangered. Page 26 of the discussion paper recommends that scientific uncertainty should not be used as a reason not to act.

I will read briefly from this document:

> In cases when high quality scientific data are not available for a candidate species, methods involving estimation, inference and projection are acceptable. The effect of current or potential threats may be extrapolated into the future as long as it can be reasonably supported. If estimates about the status of a species vary, it is appropriate to choose the one that leads the listing in the highest risk category as a precaution.

The sorry state of science in 1995 is that witch hunting bureaucrats are forthrightly recommending that the scientific method be discarded. I think the envirocrats are smoking something and it is not environmentally friendly.

That pamphlet refers to public consultation work shops to be held in cities across Canada. Consultation with whom? Certainly not with the people most likely to be affected, Canada's farmers and ranchers and their municipal councils which brought this matter to my attention.

This document and the bill spawned by it illustrate the typical attitude of Canadian urbanites that rural Canada is their playground, unfortunately cluttered by all those quaint rustics who do nasty things like cultivating land and producing cheap, wholesome food for Canada and for the world.

Much of rural Canada is lawfully owned by those who live there. Urbanite nature lovers looking for pleasant places to have picnics, build fires, ride dirt bikes and dump their beer cans should consider the convenience of doing these things on the lawns of the hon. member for Davenport or the hon. member for Hamilton East. Perhaps then those members would have a more sympathetic attitude toward our much put upon farmers.

Farmers do not have much clout in today's Canada. They made up 30 per cent of the population in 1931 but account for only 3.2 per cent today. They are the real endangered species because in the eyes of Liberal politicians and bureaucratic whiz kids they are irrelevant.

Rural people are as powerless to stop this bill as they were to stop gun control Bill C–68 which the House shoved down their protesting throats last June with no significant input from them. With their feeble numbers they do not matter to a government preoccupied with the electoral map. Like Napoleon, Liberals measure the importance of a group by the size of its battalions.

Legislation of this nature can be counterproductive because it casts Environment Canada in an adversarial role. For example, any farmer with burrowing owls in the pasture would have to be demented to report their presence to anyone. I do not think that we in Canada will ever reach the point that has been reported in Oregon where it is claimed that some woodlot owners shoot

spotted owls on sight. When someone's livelihood is threatened, who knows?

Most rural Canadians, especially ranchers in the west, have been very good stewards of the land and most are appreciative of the wildlife which sometimes grazes on their crops and competes with them for native forage. As a result, wildlife populations in the rural west, especially in my riding, are immeasurably larger than they were 50 or even 20 years ago.

• (1110)

Canadians like to poke fun at the endangered species lunacies of our friends south of the border. It has been 17 years since the Tellico dam project in Tennessee was stopped to protect the habitat of the snail darter, a species remarkably similar to scores of others which, in the fullness of geological time, has become extinct. The silliness took place because under the stringent conditions of the U.S. endangered species act the regulators had no choice.

If that act had been literally applied the deliberate international extinction of the smallpox virus could have led to fines or jail sentences for the public health officials who so wantonly and cruelly destroyed the species.

Tens of millions of dollars have been spent down there to preserve the habitat of various rodents, including the Choctawahatchee beach mouse in Florida and the kangaroo rat in California.

When the U.S. fish and wildlife service learned of the presence of kangaroo rats on 800 acres of Cindy Domenigonis' California farm it would not allow her to work her land for three years. That is the direction in which Canada will be heading if this so–called private member's bill becomes law.

Bill C–275 epitomizes the Liberal propensity to regulate, control and run roughshod over individuals who do not have big battalions at their command. I oppose it and I urge anyone who believes in sound science, effective conservationism and the rights of rural people to oppose it as well.

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, if there is doubt whether a species is going to be extinct then we want to make sure we make the right decisions and err on the side of caution. I am pleased to speak on Bill C–275, sponsored by the member for Davenport, the chair of the environment committee.

The paddlefish, the swift fox and the blackfooted ferret have one thing in common: they no longer exist in the wild in Canada. The Labrador duck, the sea mink and the blue walleye have one thing in common: they no longer exist at all.

The eastern cougar, the salish sucker, the right whale, the white prairie gentian and the spotted owl are all endangered in Canada. The white–headed woodpecker, the blue ash, the western Atlantic harbour porpoise and the spiny softshell turtle are threatened. The polar bear, the eastern bluebird, the orange spotted sunfish, the pugnose minnow, the prairie rose, the blue whale and the trumpeter swan are vulnerable.

Two hundred and forty–four species of wild fauna and flora are at risk in our country. They suffer from loss of critical habitat, overharvesting, the introduction of foreign species, climate change and contamination from toxic substances.

The time has clearly come for the federal government to set legislation to protect endangered species. The protection of endangered species is the responsibility of all sectors of our society and all citizens in our country. We need legislation in which all Canadians feel a vested interest.

Legislation would call for regulations on the killing, wounding, capturing, collecting or distributing of endangered plants, fish, mammals and embryos. Legislation would also call for Canadian controls on the buying, selling and international trafficking of endangered species.

Canadians want us to throw the book at anyone who tries to make a fast buck from illegally importing or exporting endangered species.

The committee on the status of endangered wildlife in Canada, an arm's length scientific body, would assess species at risk on an annual basis. The Minister of the Environment would be required to establish a list of the species at risk in areas of federal jurisdiction. Response statements outlining planned actions would be mandatory. Recovery plans if required would be prepared within two weeks for endangered species and within three years for threatened species.

• (1115)

Legislation would also permit emergency measures to be taken to conserve and protect species requiring the equivalent to emergency ward treatment. Legislation would authorize the Minister of the Environment to establish funding for conservation agreements with other governments, organizations and private landlords in partnership efforts to preserve endangered species. Legislation would also authorize tough enforcement and severe penalties.

The federal government has a responsibility to set a benchmark for effective endangered species legislation in all of Canada's jurisdictions. That is not enough. We have a responsibility to work with the provinces, the territories and aboriginal people to ensure a comprehensive national approach to the protection of endangered species in all parts of Canada. The federal government is committed to doing its part in this shared enterprise.

Acting alone, the federal government cannot come close to solving all the problems. I want to congratulate Manitoba, Ontario, Quebec and New Brunswick for already passing legislation on behalf of endangered species. I also want to congratulate Alberta which has committed to introduce legislation. I particularly want to congratulate wildlife experts, environmentalists, farmers, fishermen, foresters and the mining, pulp and paper and petroleum industries. They are the people on the front lines. They have acted in good faith despite their often divergent interests.

Farmers and aboriginal people, the stewards of the land, must be treated fairly by the new legislation. The maximum number of Canadians must participate in protecting endangered species. We must have a national safety net for species at risk.

As we move toward new endangered species legislation, a very large part of the credit must go to young Canadians. Students from throughout the country have kept the pressure on the government. They have collected petition after petition and they have sent to the Minister of the Environment thousands and thousands of carefully considered individual letters and drawings. We want the continued help and support of Canada's young people in preparing a final bill.

The government's proposed legislation is already on Environment Canada's green lane on the Internet. We look forward to receiving feedback. We want the best possible law to achieve economic growth while preserving the diversity of genes, species and ecosystems that are the biological foundation of the world. We owe that to the endangered species. We owe that to future generations of Canadians.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I am very pleased to support this bill today.

Canada has a strong reputation in the world in matters of the environment. Indeed, Canada is involved in many international projects to help save the environment, the ecosystems and the species which allow people in the rest of the world to live decent lives in a rich environment.

[*Translation*]

People in other countries are convinced that our actions show leadership in protecting the planet's biodiversity and species.

The fact is that the human beings with whom we share this earth are counting on Canada to show them the way. We must ensure that our actions are up to our reputation.

[*English*]

People in the rest of the world have faith in Canada's fundamental decency and commitment to protecting planetary biodiversity. The world believes that we care and that we are acting. Quite frankly the world does not know that Canada is one of the few countries in the world without federal legislation on endangered species.

We have also been moved by Canada's kids. They know we do not have federal legislation and our children through their program "There Otter Be a Law", have been a driving force in pushing Canada to do what it needs to do to protect endangered species.

In my riding I have a classroom of kids who have worked very hard in the last year to protect the bowhead whale. They have sent petitions. They have written letters to the Minister of the Environment and to myself. I have made statements in the House. Today we have a sanctuary for the bowhead whale which is absolutely wonderful. These children have been extremely gratified. When I met with them this week in my riding to tell them what had happened, they felt they had had a wonderful impact on the issue. This is great because they learn a little about democracy. They also felt that it is possible to fight with facts and they felt very gratified. It was very worthwhile.

• (1120)

Since we began looking at protecting endangered species in federal legislation, we have received more than 5,000 individually written and carefully thought out letters from students calling for swift action to protect endangered species.

The classes are in every riding. There is a class also in Iqaluit working on the issue of the bowhead whale. The class in my riding is hooked up to the Internet to work with the class in Iqaluit to discuss the issue of endangered species.

This is a wonderful way to connect Canadians across the country. These children are working for the future of their environment and their space. They have started now connecting and talking to one another in parts of the country. That is one of the most worthwhile things that we can encourage.

Therefore we, as the adults of this country, can only but follow the example. We can no longer leave it up to the children.

In every province and territory and in communities big and small, when we meet with public and high school students, they want to know what governments, businesses, environmentalists, farmers and scientists are doing to ensure a bright future for the beluga whale, the prairie rose, the porpoise, the whooping crane, the leatherback turtle and the polar bear.

[*Translation*]

We all know, I think, that the future of endangered species has become a major concern not only for young people but also for the whole Canadian population. Canadians clearly understand federal responsibilities with respect to cod and halibut, as well as the economic consequences of the extinction of marine species.

[*English*]

In the last few weeks every Canadian watched as our skies filled with migratory birds leaving Canada. That rite of fall is part of Canada's psyche. Canadians love those species and regard them as part of what makes us a country.

Canadians understand that when a species disappears, it disappears forever. They do not want Canada to be responsible for making that happen. Canadians understand that when a species disappears, the world loses and when the world loses, humanity loses.

When we deal with the world's environment, we speak of common but differentiated responsibilities. We need to find a means to fulfil both our common responsibilities and our differentiated responsibilities.

For our part, that means we must push for a solid, co–ordinated and co–operative national approach to ensure the survival of species. That is our common responsibility. It also means that the federal government must fulfil its differentiated responsibilities by showing legislative leadership in areas of federal jurisdiction.

Every jurisdiction and every landowner have common but differentiated responsibilities. Each of us must show the maximum leadership possible in our own sphere. We do not need to point fingers at each other. We need to point ahead.

The Deputy Speaker: There being no other members wishing to speak, the hon. member for Davenport is entitled under our rules to briefly sum up.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I wish to make two points. It is customary to thank colleagues on all sides of the House for their intervention, particularly the member for Bourassa, the member for Madawaska—Victoria, the member for Kindersley—Lloydminister, the member for Simcoe North, the member for Anjou—Rivière–des–Prairies, the member for London—Middlesex, the member for Comox—Alberni, the member for Laurentides, the member for Brandon—Souris, the member for Bramalea—Gore—Malton, the member for Brant, the member for Hastings—Frontenac—Lennox and Addington, the member for Beaches—Woodbine and the member for Waterloo.

The intent of this bill is to protect biodiversity. That has been repeatedly indicated by those who want to accept what is its real intent. It aims as well as we can through words and proposed legislation to identify, protect and rehabilitate threatened and endangered species of flora and fauna.

• (1125)

We cover the Canadian territory as we know it. We are well aware that nature does not respect political boundaries. There is a distinct responsibility for any government that flows mainly, as some members have recognized, from the fact that Canada was the first nation to ratify the biodiversity convention in Rio de Janeiro in 1992. As many members have quite rightly pointed out there is a responsibility at the provincial level, at the municipal level and at the federal level because of federal lands, interprovincial movements and international commitments.

Therefore the three levels of government together could do something useful for the benefit of future generations and for the benefit of nature, wealth, for the benefit of le patrimoine, as they call it in French, in terms of protecting threatened and endangered species of flora and fauna.

We know that species when severely threatened disappear from the face of the earth. There is a tremendous concern about the rapidity of this trend. This bill cannot go beyond the scope and the jurisdiction of the federal government. I would like to allay the fears of some members who had spoken earlier about this aspect.

It must be stressed that the bill is being examined by Parliament at a time when the member for Lachine—Lac–Saint–Louis and the delegation he led to Indonesia has managed to bring Canada to the forefront of global efforts to protect biological diversity. As we all know, last week Canada won a competition in Jakarta. Montreal will be housing the United Nations secretariat on biological diversity. It is a tremendous development for which we are all proud and for which we would like to congratulate our colleague for Lachine—Lac–Saint–Louis.

The secretariat will monitor the 1992 biological diversity convention. It should be remembered and stressed that it has been signed and even ratified by some 150 nations. We are moving ahead with other nations, as well we should. The goal of the protection of the earth's plant and animal species is becoming an urgent item on the agenda.

To conclude, I would like to again thank the members of the House who have participated in the debate and have endorsed the initiative which aims to ensure strong federal legislation on endangered species and preserve biological diversity as it is prescribed by the convention ratified in 1992. It aims at showing respect for other living organisms and ensures that we maintain a rich and diverse ecosystem for the benefit of present and future generations.

Mr. Boudria: Mr. Speaker, a point of order. Prior to you putting the question, I believe you will find unanimous consent for the following. I seek the unanimous consent of the House that any recorded division that may be asked for later this day, in other words in very short order, on Bill C–275, be deferred until the end of Government Orders on Tuesday, November 21.

[*Translation*]

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

• (1130)

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.

And more than five members having risen:

[*English*]

The Deputy Speaker: Pursuant to the unanimous order made a moment or so ago, the division is deferred until Tuesday, November 21, at the expiry of the time provided for Government Orders, at which time the bells to call in the members will be sounded for not more than 15 minutes.

SUSPENSION OF SITTING

Mr. Boudria: Mr. Speaker, I think you would find consent to suspend until twelve o'clock noon, at which time we will commence Government Orders.

[*Translation*]

The Deputy Speaker: Is it the pleasure of the House to suspend the sitting until noon?

Some hon. members: Agreed.

(The sitting of the House was suspended at 11.35 a.m.)

SITTING RESUMED

The House resumed at 12.03 p.m.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed from November 10 consideration of the motion that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee; and of the amendment.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I would like to take this opportunity to put before the people of Canada what I consider to be one of the most disconcerting aspects of the financial situation our country finds itself in today.

Make no mistake that what is happening in Canada today is a result of circumstance. It has far more to do with circumstance than it has to do with ideology. We are talking about how to go about getting the country out of the financial mess it is in. As everyone knows, we are in a financial mess federally and provincially.

• (1205)

As was so clearly illustrated in the *Globe and Mail* on Saturday in an excellent article on individual and family debt, Canadians by and large are in a financial mess personally. The *Globe and Mail* article stated that the average family consumer debt in Canada equals 88 per cent of disposable income. This is up from approximately 60 per cent 10 years ago.

The net result is that our federal debt is up, our provincial debt is up, the debt in most municipalities is up and individual credit card debt is up. We find ourselves paying more and more for less and less. All we have to do is add zeros to see that the financial situations of the country and the provinces really are no different from the financial mess most citizens are in.

I can speak with some assurance in saying that most Canadians and certainly those Canadians with whom I am familiar find themselves in an increasingly difficult financial situation. Our incomes have remained fairly stagnant but the cost of living has continued to escalate, even though it is escalating more slowly. We find ourselves being pinched and businesses are being pinched for profit.

What do we do? How do we go about extricating ourselves from this horrid mess? One way the federal government is doing it is definitely a step in the right direction. It is amalgamating the various cash transfers from the federal government to the provinces which are paid in support of people. The transfers used to be separate under education, health, welfare, et cetera and were sent to the provinces with strings attached. These moneys which were transferred to the provinces had to go to individuals specifically and we could track where the money was going.

That was changed in the last budget. Under the Canada health and social transfer act, this money was pooled and is being transferred to the provinces with strings attached. The strings are rather tenuous and not direct. It is pretty difficult for the federal government to tell the provinces: "We gave you the money. These are the national standards to which you must adhere in order to get the money". I do not think the federal government has any right, responsibility or place to send this money to the provinces with strings attached. Who does it think it is kidding? It is our money anyway and it is just being recycled by the federal government.

At any rate, the Liberal government opposite finds itself in the situation where it will be transferring to the provincial governments and then to the people, $7 billion less this year than it did last year. If we think that is tough, wait until the next budget. We still have at least $20 billion to go in the reduction of transfers before we get to a neutral position and we stop going further into the hole. This is the first scratch, the first attempt at fiscal responsibility in the country.

Some provinces in Canada, most notably Quebec, have yet to cross that rubicon. Quebec is still going along blissfully without considering its provincial debt which is $5.7 billion in deficit this year. Just wait until Quebec begins to address that problem.

We recognize the necessity of addressing the debt problem responsibly on federal, provincial and personal levels. How do we go about making sure that the most vulnerable people in our society are protected? That is what I would like to speak to. There has been built in this foundation the necessity for objectively and realistically looking at what we can do to ensure that those who are the weakest and the most vulnerable are protected and looked after in the true Canadian spirit. This is one of the values which is pan–Canadian, a value we all share regardless of our political persuasion.

• (1210)

We share the value that the weakest and most vulnerable in our society should be and will be protected. We are also very much of the understanding that the most privileged in our society are going to have to pay a premium to ensure that those who are the weakest are protected. That is the way it works and that is how we get social order. The only way we are going to have a society that works is if we are prepared to share. I do not think anybody seriously questions that.

What is being seriously questioned is whether or not people have a right to say: "We have always done it this way and therefore, we are always going to continue to get it this way". We are going to have to change things dramatically in order to make sure we are able to live within our means nationally. Recognizing and understanding this and accepting that we are going to accept change, that we are going to have to work with it, how do we go about making sure that those who are least capable of looking to this change and the most vulnerable are protected?

I have looked at this very carefully over the last few months as a member of the Standing Committee on Human Rights and the Status of Disabled Persons. The government has seriously fallen down in its fiduciary responsibility to make sure that the most vulnerable people are at least to a modicum consulted before change happens and that they feel some sense of confidence that when this necessary change takes place they will be protected.

To my knowledge, the government has not convened one single solitary meeting with the provincial governments responsible for delivering the programs to those persons with disabilities; people in wheelchairs, people confined to their beds, people who cannot get around, people with learning disabilities, people with mental or physical disabilities, motion disabilities. These people who are the most vulnerable have not been consulted through the provinces which are responsible for delivering the care and the services.

The national Parliament has said that in the total basket under the Canada health and social transfer $7 billion less is being transferred to the provinces than was transferred last year. That money has to go to education, welfare, a whole myriad of purposes. One of the purposes is persons with disabilities.

People with disabilities already feel vulnerable. Imagine how people with disabilities feel when they see that funding is going to be reduced by such a substantial amount. They are the most vulnerable of the people in the categories to which the funding is going to be reduced.

The federal government has not done a thing. There has not been one meeting with the provinces to say that it recognizes the relationship between the federal government, which is responsible for funding, and the provincial governments, which also fund, but in addition to delivering the programs deliver the bulk of the money necessary to support these programs. How does the member suppose vulnerable people feel if the federal government has not convened one meeting with the provinces to say: "We recognize there are changes coming in the way we fund these programs. Things of necessity are going to change, but let us work together with the consumer groups in the disabled community to make sure the people are protected".

Over the last couple of months witness after witness after witness have come to the committee. They said that because of funding cuts there are people in our country today who are mobility impaired, who cannot get out of bed by themselves, and have been lying in bed in their own waste for hours and hours and hours. There is no funding for people to come in and help them change their linen or even get to the bathroom. This is happening in our country.

• (1215)

We as parliamentarians have a fiduciary responsibility. How we treat the least among us is a measure of the worth of society, the greatness of society. We must look to the most vulnerable

people in society and ask how we are treating them and, if we were in that position, how we would want to be treated.

When speaking to people in wheelchairs in the disabled community we realize that any one of us as Canadians could be in a wheelchair tomorrow morning. We need to think about how it would be for us if we were in that position. We must give some extra thought to the absolute necessity of reducing funding to people and transfers to people from all orders of government so that we protect the weakest and the most vulnerable among us.

I appreciate the opportunity to put these comments on the record.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate the opportunity to participate in the debate on Bill C-96, an act to establish the Department of Human Resources Development.

I was quite taken by the member's remarks about looking out for the most disadvantaged. I have stated repeatedly in the House the essence of government. We in the Chamber should not be spending most of our time ignoring the advantaged because they form a very important part of the economic equation of the country. However, we in the House are supposed to be the people who speak for the most disadvantaged. That is the essence of why we are in the Chamber.

I was touched when I heard the member for Edmonton Southwest talk with caring, sensitivity and compassion about the most disadvantaged in the country. I should like to put a question to him and expand my thoughts that are driven by the set of core values of caring, compassion and approachability. I am sure the member believes the same set of principles should apply to young people who are out of work or anyone who is out of work in the country.

Could the hon. member consider building on that same traditional value system by saying that maybe as a government at this moment in time our focus has been too much on the right wing agenda, too much on the cutting, the slashing and the tight fiscal framework to a point where we have basically lost sight of the most disadvantaged? In this case I focus on people who do not have the dignity of getting up in the morning and going to a job, of having enough money in their pockets to pay for their kid's hockey stick or their daughter's clothes or food. Perhaps as a Chamber we should review our right wing agenda and go back to looking after the disadvantaged in a more aggressive way.

• (1220)

Mr. McClelland: Mr. Speaker, I thank the hon. member opposite for the question. I assure everyone here that it was not a set up question. I appreciate the question because it strikes at the heart of what is the difference between members on this side and members opposite. We virtually share all the same values but we do not share how we go about achieving them.

From discussions with members opposite I know the vast majority of representatives in the House share common values. How do we go about providing the kind of society the hon. member for Broadview—Greenwood is talking about? How do we get young people working? Why is it that kids cannot play hockey? Why can their parents not afford it even if both parents are working? Why is it so expensive? How do we go about ensuring that everyone can participate in our wonderful nation?

The root cause of the problem can be found in *The Canadian Global Almanac* for 1996. It shows the per capita accumulated federal debt. In 1975 it was $849 and the interest per capita was $139. Today, 20 years later, the debt per capita is $17,381 and the interest per capita is $1,299. If we multiply that by four members of the family, it does not take very long to realize that we do not have any money.

We could then consider provincial debts and at our credit card debts as families. It costs 15 per cent, 16 per cent or 17 per cent to service credit card debt. We have the situation where most of us as a country, as provinces and as individuals are using today's income to pay for what we have already consumed in the past. Therefore instead of the money being used to purchase goods and services it is being used to service debts.

It makes us wonder when we read the paper today and see that all five of our national banks have record profits. They have $5 billion worth of profit. How do they get that money? They get it from the interest on the debt. The debt goes up and the interest goes up. The amount of interest goes up in real terms even if the rates do not increase. The banks get richer. The rich get richer and the poor get poorer.

People who are able to make financial investments get more money through investing in passive capital investments where there is no risk than people who risk everything they have to start a new business. They put every nickel they have including their homes and everything else into a business to get it going. And what happens? They pay tax after tax after tax.

I sat next to a person travelling from Vancouver to Ottawa yesterday in an aeroplane. He is in the garment business. He is also in the sports and recreation business. He has a fitness business. He is getting out of the fitness business. He said the problem was that it costs $33 a month for people to come to work out. People do not even have $33 a month that they can spend. It has to be dragged out of them. People just do not have any money any more.

Why do we not have the ability to create employment, especially entrance employment for young people, generation X? If they are not gainfully employed they will waste their time, get involved in crime and all other social ills. It is that people do

not have enough money to invest in anything other than necessities. Therefore businesses cannot sell, manufacturers cannot manufacture and shippers cannot ship.

Until we deal with the root cause of the problem, which is that we are all broke because we are paying interest on money we have already spent for goods and services, we will not get ourselves out of this mess. We cannot borrow our way out of this mess. If spending money we do not have worked, everybody would have five jobs.

• (1225)

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I should like to pursue this thought with the member because I obviously do not see it the way he does.

I have a difficult time understanding the derivatives section of the Royal Bank of Canada. I use the expression its private casino where they play with derivatives and sometimes even bet against the Canadian dollar. I have a difficult time understanding how the derivatives section of a bank can find an average of $30 billion a day to play with and make money. That is one bank. It is said that the derivatives game in the world now involves a trillion dollars a day. This money is being pushed. It is paper pushing all over the world. There is no production related to that trillion dollars a day.

I find it difficult to accept that our largest bank can find $30 billion a day to gamble in pushing paper alone. Yet the small business float for a whole year for the entire small business sector is only $28 billion. I am only talking about one bank.

The issue is not that we must eliminate waste and watch our spending. When we talk about debt we should not avoid talking about the tremendous assets in the country: our resources, our water, our infrastructure and our educated people. We are talking about human resources. Our human resources are recognized as the best on the planet. We have to measure that into the economic equation.

Would the member not agree that when we talk about getting at root causes we must talk about who is controlling all the capital, who is pushing all this capital around the world and preventing a sufficient amount of it from being distributed into the economy where there is true production in the manufacture of goods and services? Does the member not think that is a debate we should have in the House?

Mr. McClelland: Mr. Speaker, I do not pretend to know enough about the derivatives market or international finance to be able to respond thoughtfully to the question.

I have a general sense of unease and malaise about the lifeblood of our economy. I do not know it well enough to speak to it therefore I will not. However I know what makes business work, particularly small business, entrepreneurial business, because that is my background. What makes people start a business, what makes people risk a business, what makes people get up in the morning and provide employment, is a chance to make some money, a chance to be one's own boss.

I was out with one of my sons on the weekend. I said: "Always do the best job you can when you are working. You owe that to your employer. But you will never get rich working for somebody else. If you want to get rich you have to work for yourself". Not everybody will do that, but one will never get rich working for somebody else or being a member of Parliament, for that matter.

What makes people get up in the morning, risk everything they have in life and start a new business is the expectation that they will make some money at it. The problem is that it is getting more and more difficult to make money at business or even to do it. Once one has established a business and sells it what happens? How much of the money does one get to keep after paying all the taxes? It is relatively little.

We can look at the difference between passive investment, for instance investing in bank stock or investing finances with no risk, and investing in an entrepreneur with a lot of risk. What do most people do? In my case I could make a decision to invest in stocks, bonds or mutual funds at virtually no risk or I could make a decision to invest in people, which is high risk. I can invest in the people. Because of my tax situation I get virtually no return on it. I can invest in stocks and bonds and get essentially the same return but I have no risk.

• (1230)

Investing in people is by far the best way to go. It is what we need to do for our country. It is what I am going to do as well. I have a situation right here in Ottawa. A person who works with me in my office is from Edmonton. She is unilingual. She has moved to Hull. She lives and is working in Chelsea. She has taken over as a unilingual anglophone a little café, the Café Meech, in Hull near the Gatineau Park.

She has to raise the capital independently because it is not a very bankable deal. She has the fire in her belly that she is definitely going to make it work.

Mr. Mills (Broadview—Greenwood): Derivatives.

Mr. McClelland: The point the hon. member for Broadview—Greenwood raised is so important to what we are to do as a country to get people back to work, that for first time employment for all our young people have something to look forward to, so that they feel part of the community, so that they have something rather than standing on the sidelines looking in.

The debate the hon. member opposite has suggested is a good one. It is timely. How do we go about doing that? How do we go about getting someone to risk their capital, to get their idea in gear, to get that sense of drive and ambition so that they will

start a little widget manufacturing business or a service and will hire one or two people?

That is the way we will get the country working. That is the way we will get unemployment insurance premiums down. That is the way we will take off the dependence on government and make the country work. We have to re–establish that sense of purpose and entrepreneurialism and zeal on a personal basis. country.

The Deputy Speaker: The time has expired for questions and comments, as have the five hours of debate. We are now into 10–minute speeches.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I remind the House that we are debating Bill C–96 but we are also debating the amendment to the bill put forward by the hon. mêmber for Mercier.

That party objects that the bill does not give full and alone jurisdiction over human resources development. That phrase frightens me. Again it shows that the official opposition is pushing its hidden agenda of separating so that it has full powers, full control over human resources and other things.

I draw the attention of the official opposition to recent post referendum polls, which state that 61 per cent of Quebecers want to remain in Canada and 78 per cent of Quebecers want to see major changes to the way the Canadian federation works. It is through bills such as this that hopefully through provincial federal co–operation we can get more people to work.

Last week I had a town hall meeting. There was a qualified veterinarian in the audience. He was from another country. Sadly, he is on social assistance. He does not have a job in Canada.

Two weeks ago I saw a switch from the official opposition to the Reform Party when the member for Calgary Southeast debated this bill and said very little about it. She talked about pensions and everything else.

I was pleased to hear the member for Edmonton Southeast at least talking about the purpose of government being able to help the most vulnerable people in society. He talked about the disabled.

The Deputy Speaker: I am sure the member meant Edmonton Southwest. The member for Edmonton Southeast is the chair occupant and does not participate in debate. This small correction will not come out of the member's time.

• (1235)

Mr. Flis: Thank you for the correction, Mr. Speaker.

I was pleased that the member talked about the disabled because it was this government in the early 1980s that set up a special task force across the country to look at how obstacles could be removed for the disabled. The work of that task force is benefiting many handicapped people today. By removing the obstacles they are no longer handicapped.

The Reform Party criticizes the bill because it does not solve any problems with the Canada pension plan, for example. We all agree there are problems with the plan. The Reform Party knows perfectly well the government takes these problems seriously. I object very strongly to the Reform Party's suggestion that the Canada pension plan is about to collapse.

The government is preparing a working paper which will set out options for reforming the CPP. We will present those options to the provinces which share responsibility in this area. With their goodwill we will negotiate a new and better plan which will meet the needs of seniors not only today but in the future.

Bill C–96 is not about pension plans. It is an administrative bill to establish a department. The Reform Party then takes advantage of this debate to decry the federal plan for gender equality. We make no apology for advancing women's equality by examining initiatives related to economics, autonomy, poverty, employment, education and training. However, this has nothing to do with Bill C–96 which is an administrative bill to establish a department.

The Reform Party members criticizes this bill because it does not radically transform post–secondary education into its strange vision of the future. However, it knows full well that Bill C–96 is not about changes to post–secondary education at all. It is an administrative bill to establish a department.

The Reform Party criticizes Bill C–96 because it does not change the Constitution and prevent the federal government from fulfilling its responsibilities for labour market programs. Even if we wanted to do that, the Reform Party knows full well that one does not amend the Constitution through an administrative bill to establish a department.

The Reform Party and Bloc Quebecois criticize the bill for intruding into provincial jurisdictions and then complain that the bill does not radically alter areas such as education where the provinces do have jurisdiction. Opposition knows full well this has nothing to do with Bill C–96.

Opposition members can try to side track the debate on this bill, throw up smoke screens and parade their own pet theories on every issue under the sun, but let us keep one thing clear. It has been said many times that Bill C–96 deals with consequential amendments to a variety of legislation related to the reorganization of government departments. That is all it does. It is not intended to change the world.

This does not mean the world does not need changing but let us keep a proper perspective on the task at hand. The task at hand is providing Canadians with a department that supplies them with essential programs and services, a department that has been remarkably successful over the past few years in bringing our labour market and social programs out of the past and into the 21st century.

Bill C–96 is about the department that launched one of the biggest grassroots consultations on social programs ever seen in this country, with more than 100,000 Canadians taking part.

It is this department that made the first major changes to the Canada student loans program, changes the Reform Party seems to have ignored. As a result of these changes over 13,000 high school students are getting special grants to pursue their education. One hundred thousand underemployed graduates, twice as many as before, are getting expanded interest relief. The program is costing taxpayers less while students are getting a better service.

It is this department that is pioneering an approach that puts programs and services into the hands of local communities with tools and resources that can be customized by communities to meet their needs.

It is this department that is building the most decentralized service delivery network in any government moving from 450 to 700 points of service, moving it to rural communities across Canada; people can get help where they live.

It is this department that is providing Canada's seniors with four times as many offices where they can get personal service. This is what Bill C–96 is about. It would be useful if the Reform Party and the Bloc Quebecois would talk about the bill and look at what is really going on in the department.

• (1240)

When the member for Calgary Southeast complains that the bill does not eliminate overlap and duplication between federal and provincial services, she should look at the real progress the department is making in building new partnerships with the provinces, with the private sector, with communities across the country. Look at what we are doing in the real world; the work with provinces on pilot projects that test the joint delivery of federal and provincial programs. These are designed specifically to improve efficiency and eliminate overlap and duplication.

Let us get constructive and talk about moving forward that effort. Let us encourage the provinces to join with us in the new agreements that will clarify roles and responsibilities, as we have invited them to do. Let us look at the very essence of Bill C–96, the focus on a better integration of programs and services that is so critical to this effort. By passing Bill C–96 without delay we can move on to address these concerns more efficiently.

Let us not hold up change on the pretext that change is not happening fast enough to suit the Reform Party. Let us not pretend that change is not taking place right now. Everyone in the House knows that real reform in our social and labour market programs is taking place and will continue to take place.

Bill C–96 does not do everything but it is an important step toward getting the architecture right, establishing a department that can provide the highly integrated, focused programs and services Canadians need.

Of all the comments on Bill C–96 from the Reform Party, I can find only one based on fact. Bill C–96 does not require an annual report to be tabled from the Department—alleluia.

Members of the Reform Party appear to be equivocating on this issue. For example, they praise the decision to eliminate the annual report from the department of public works as a move towards greater efficiency, and yet they condemn the elimination of annual reports from Heritage Canada. Let us hear some consistency from the Reform Party.

The government's own view is clear. We want to handle the question of annual reports in the most efficient manner. Section 157 of the Financial Administration Act calls for the elimination of annual reports when the information they provide is duplicated in public accounts or the estimates. That applies in this case. Members of the House will still have access to the information they need to monitor departmental spending through these other resources.

For a party that professes to want grassroots control over programs, the members opposite seem surprisingly tied to the old ways of doing things, or to doing nothing. Bill C–96 is not a defence of the status quo or of outmoded ways of doing things.

The government does not pretend that by passing this bill it can achieve everything it wants to achieve overnight. It is one step along the way. It would be foolish to hold back, to block this important step forward simply because it does not do everything at once. It would be equally foolish to block this step forward because we are afraid of change.

Whatever the Reform Party may think, Canadians want change. We saw that in the referendum, we see it post–referendum, and the government has addressed this. The old ways no longer work. By bringing about change, it does not mean it has to be constitutional change. The way we share services with provinces is a good place to begin.

The government is giving Canadians change, not just rhetoric. With this bill we can move forward. With this bill we can get on with the real challenge of building a more efficient, effective form of government for Canada.

I remind the official opposition and the Reform Party of the realities of today. When I was seeking a job in 1956 after I finished teacher's college, there were about a dozen boards of education that wanted my services. One board was hiring 600 teachers at a time; another, 500 teachers. Boards were recruiting teachers in England, in Australia, in New Zealand. Today teachers graduating with much higher qualifications than I had cannot get a teaching position. They can hardly get their names on the supply list.

• (1245)

There was a time when teachers complained because they did not pay unemployment insurance. The government of the day insisted that teachers should pay unemployment insurance. As a teacher, I supported that move because you never know when you might be unemployed and this is an insurance scheme. Teachers then started paying UI. Today many teachers are benefiting from that.

Because of the changing nature of the workforce and the competitiveness, more and more workers are going to have to move from province to province and require training and retraining. I hope we can count on the official opposition and the Reform Party to give this bill speedy passage.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I am pleased to speak on Bill C–96.

As you probably know, barely one month has gone by since the Quebec referendum and already another federalist mask is dropping. Bill C–96 is one of those masks. This government waited till after the referendum to bring this bill back and try to go ahead with it.

Far from signalling the federal government's withdrawal from manpower training, this bill will allow even greater interference in a provincial area of jurisdiction. This government is going over the heads of the provinces. Quebec has been asking for many years to be given full and complete jurisdiction over manpower training. In December 1990, labour and management partners in Quebec joined in a co–operative effort and unanimously took position in favour of repatriating all federal funding for manpower training. There is a consensus in Quebec, and a rather telling one at that. Even the Liberal Quebec government in office at the time agreed with its partners. So, this is not a separatist initiative but rather an opinion shared by the public at large.

Why then does the federal government not listen? Because this government has only one thing in mind: to gain total, perfect control, up, down and sideways. It wants to have all of the powers, even in an area like this one, in which its poor performance is legendary. This is just one more stepping stone.

This government should know that all its centralizing actions ultimately affect people, of course. And it is with people in mind that consistent policies should be developed, and for people that manpower training is offered, so as to increase our manpower's performance.

• (1250)

Here is more good news: last Friday, the Chicoutimi–Jonquière region, in my riding of Chicoutimi, was once again declared the winner because it has the highest unemployment rate in Canada. How nice. How very nice. This shows how incapable this government is when it comes to manpower training.

People in my riding are increasingly tired of winning this dubious award month after month, year in year out. What can the government do to help our economy get out of this mess? It must provide a consistent manpower policy. When faced with unemployment, people must know where to go, and not only to claim UI benefits. I am referring to employment centres, which have now become places where people go to claim UI benefits. People are well aware of that. However, they do not know where, in the future, they will go to find jobs.

The key to the future is a good training program for people in the labour force based on the requirements of the region in which they live. It is certainly not here in Ottawa, far from my region and others, that public officials can determine the best training programs for my constituents. They are too far away, and they do not know about our specific needs. Therefore, the decision making process regarding manpower training must be closer to those concerned.

Bill C–96 will certainly not settle this issue once and for all, far from it. Given the way things are going right now, people in my riding will be even more concerned. In addition to giving powers to the minister, this bill bypasses the provinces. It will give Ottawa the required judicial and legal basis to justify interfering in and encroaching upon manpower training.

This is confirmed by clause 20, which provides that the minister may enter into agreements with a province or group of provinces, financial institutions, municipalities and such other persons or bodies as he considers appropriate. Since the minister is in charge, will financial support follow, or is this just a ploy by the federal government to shift its problems?

This bill does not make it compulsory to reach an agreement with the provinces. Again, the number of stakeholders is being increased at a time when joint action is taking place in this sector. The bill will make things even more complicated for those involved. Dividing budgets among a variety of groups, chosen, goodness knows how, by the minister, is not the way to establish any degree of cohesion in training programs.

Will these groups have the necessary expertise? And when will the single window approach materialize? This is not the first time the Bloc has brought up one–stop service. As it now stands, Bill C–96 does not guarantee it.

• (1255)

I believe that is what could make the difference. The single window approach is essential. It would ensure that the reform would be focussed on the individual. Making the individual the focal point of the reform cannot help but be beneficial from the job creation point of view.

It is also beneficial for our young people, who do not always know what training would be best for their future. For years Quebec has been demanding full jurisdiction over manpower. There is plenty of proof that the federal government has missed the boat in the way it has managed this.

Mr. Speaker, you are indicating to me that I have only a few seconds left, so I shall close with the following remark. Last October 5, in response to a question on this bill from the leader of the official opposition, the minister stated—and his words are recorded—that we ought to have read the bill.

Let me assure you, Mr. Speaker, we have read the bill. And not only Quebecers have read it, moreover. The Minister of Human Resources Development should—and these are my closing words—redraft his bill. I shall vote in favour of my colleague's amendment.

[*English*]

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I am pleased to speak this morning on Bill C–96.

Clause 3 of the bill states:

> There is hereby established a department of the Government of Canada called the Department of Human Resources Development—

Perhaps the most remarkable part of the bill is the very name of the department it creates: "Human Resources Development". Those three words stand for one of the most critical challenges and also one of the greatest opportunities facing Canadians today. They stand for one of the most basic beliefs underlying the government's commitment to Canadians.

We believe that Canada has enormous potential, economically and socially. We believe that people, our human resources, are the key to unlocking that potential. It is the talents and skills of people that have made this country one of the most prosperous nations on earth. It is those same skills and talents that will secure for Canada and Canadians a prosperous future.

By investing in people, by developing our human resources, we want to ensure that every Canadian has a chance to take part in the future. We want to ensure that every element of the social programs works toward that goal. That focus is what the new department is all about. It is about helping the people who need help the most, by giving them the tools they need the most, by giving them a chance to overcome the barriers of poverty, a chance to gain access to good training and skills and a chance to get good jobs.

Throughout the social security reform consultations we have been asking Canadians how to focus our social programs better to achieve that goal. It has been going on throughout the Department of Human Resources Development over the past year as departmental officials have worked to sharpen the focus of programs and services to make them more effective. It is going on right now as we develop the new human resources investment fund, which will lead to greater decentralization in this area. We will be working more with our partners at the local level and will be reducing the 39 current programs to a handful which can be hand tailored to local needs.

Social security reform will continue to evolve as the government prepares legislation to refocus the UI program and integrate the lessons it has learned from consultations into departmental operations.

If members want to see social security reform in action as an example of focusing resources on investing in people, they can take a look in my riding at the Bedford Professional Training Services. With this program each project consists of a mix of classroom and on the job training in modern office management. Many of the trainees are older workers who have been displaced from their former employment. In addition to learning new skills, they must deal with low self–esteem, grief, embarrassment and frustration which accompany a midlife job loss, as we all know well. A strong counselling component is built into the training package to address these issues.

• (1300)

The co–ordinator of the program, Fran Hill, is to be commended for her excellent work. In fact the placement rate for this program in its first two projects was 90 per cent. Ninety per cent of those people who were actually in the program were placed in jobs. That is excellent and is to be commended. One former trainee has successfully started her own business and is now employing another of Fran's graduates.

These people do not want handouts from the department. They want jobs and they want help getting the tools and skills they need to get on with their lives. That is what they are getting at places like Bedford Professional Training Services. They are getting a second chance at education and learning skills for new jobs. That is just one example of the strategic initiatives we are undertaking to refocus the department's resources away from the status quo toward real, productive and meaningful change.

I will give another example. Let us look at the communities of Lucasville and Upper Hammonds Plains which are two minority communities in my riding of Halifax West. These communities have benefited tremendously over the past two years working closely with the Bedford Canada Employment Centre.

Through a section 25 program a UI recipient prepares a strategic development plan. Right now they are arranging for community consultation on this plan but they will soon begin the initial stages of implementation. Part of that plan involves tutoring programs which have already begun and have been very successful.

Through the Youth Services Canada summer program, students, including eight from the summer program and four in the career placement program, did two activities. The first involved recreation services in the communities. The second involved renovations of homes, churches and community centres in those communities but according to priorities which were established at the local level by the people in those communities. That is a very important point.

The curriculum they used was developed with funding by the delivery of systems project of the department. The curriculum works to improve educational standards. It gives the area the capability as a remote learning centre. It will actually start in the middle of this month.

There are many examples like these across the country that reflect the new focus and direction of the department. We can see it in the assistance that thousands of Canadians receive every day in our network of CECs, Canada Employment Centres, across the country. Thousands of Canadians who need help to get the training, the jobs and income support they need are helped in these centres.

We can see it in the hard work and dedication of some 30,000 departmental employees. I want to mention one in particular with whom I worked over the past couple of years and who retired this summer. Keith Cameron was the manager of the Canada Employment Centre in Bedford. I was very impressed by his commitment to the community and his commitment to work.

In fact on Canada Day in 1994 I visited Upper Hammonds Plains. There on a day off was Keith Cameron coaching the local ball team. If that is not commitment to a community that needs assistance and needs involvement, I do not know what is. To me that shows the kind of dedication and commitment of many of the employees of the human resources development department. It is an excellent example for others to follow.

Day in and day out, people like Keith Cameron and other departmental employees are working with people who are looking for jobs. They help mediate labour disputes. They help communities with economic development. They help young people get started in the world of work and help seniors benefit from income support programs.

This new focus of the department is an integral part of the human resources investment fund established in the last budget. They work closely together. The whole point of this fund is to make the most flexible use possible of our resources to ensure that people get the support and services they need to find jobs, jobs that they want desperately.

• (1305)

For example, this fund will support the government's commitment to child care, a crucial measure to help unemployed parents find work and get training. We made a commitment to co–invest with the provinces in child care and we will live up to that commitment.

We are also working to improve the child care that is available to aboriginal peoples. Our officials are working with a team from the First Nations. Together we are making good progress. The government hopes to have a new program in place this fall.

Additionally the department has launched the child care visions fund with $5 million annually. The money will be used to help support new research and development in this area which is so very important to Canada's future human resources potential.

These are some of the ways the new focus of the department is reflected in concrete action. In the immediate future one of the government's top priorities will be to integrate this focus into the unemployment insurance program with a major overhaul of the program.

A few weeks ago the Minister of Human Resources Development spoke to the human resources standing committee about the direction this overhaul is going to take. A key objective of the overhaul is to transform the UI program to focus on re–employment not unemployment, on jobs not joblessness. This means finding ways to remove disincentives in the program that hamper job creation and discourage workers from returning to the workforce. It also means simplifying the system for both workers and employers, making it easier to work with and less costly to administer. It means integrating the UI program with a variety of tools to help people get back to work.

The government will introduce legislation to reform UI in the next few weeks but the department is already working on the basic operational changes needed to make the integrated employment program work and succeed. This means streamlining the current 39 separate programs and services that are delivered through CECs across the country and integrating them in a way that allows the communities to implement them in different ways. That seems to be very appropriate.

The objective is to ensure the department's energies are driven not by program rules but by the needs of individual Canadians in different parts of the country. There will be much more room for discretion and judgment at the local level which is important. If we want to tailor re–employment programs to fit local needs, we must have that kind of local discretion.

Bill C–96 does not in itself accomplish these changes. What it does is consolidate the administrative framework for changes that have taken place, are taking place now and will continue to take place in the future. It reflects the basic focus that underlies the government's approach to social and labour market programs. It is this focus that will help to develop Canada's human resources giving those who need help the most tools they need to work and prosper in the future.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, it is with pleasure that I join the debate on Bill C–96, a bill which sets up the Department of Human Resources Development. I would certainly hope the kinds of remarks and words my hon. colleague across the way has just expressed will come to fruition, at least in part.

This bill, which is a structural kind of bill to set up a department, takes place in the environment we find ourselves in as far as Canada and the world is concerned. It deals with things such as the fact that we live in an information society. Taking place around us is a technological revolution toward a knowledge based economy. There is the globalization of politics, industry and trade. There is a move toward the devolution of power to individuals. There is a gradual recognition that the past is not a model for the future.

There is an express need now for a new federalism. We are very well aware of that having just experienced the referendum in Quebec. All of society must be involved, not just the elite. This hinges on a very major part. We need to recognize that if we are going to have real change in our country, it is going to come from the rank and file. It is not going to come from the top down. We have had enough of that. That model is not working, has not worked and will not work in the future.

• (1310)

What do we need? This is where the bill lacks a lot of its input for Canada's society and for the government. Canada needs the development of people. We need an innovation and technology orientation. We need to have an infrastructure in science and engineering. I will only deal with those three areas. Many more ought to be addressed but those are the three I will limit my remarks to this afternoon.

If we are going to develop people successfully, the number one requirement as we move from the old society to the new information and knowledge based society is the ability to change. Individuals will have to have the willingness and motivation inside them to learn continually and to do so in all aspects of life.

I was rather impressed with the Electrical and Electronic Manufacturers Association which has a very interesting set of requirements for people who need to be up to date in their industry. The association says that some of the best programs are those developed by the industry on the shop floor as the best learning takes place on the shop floor.

Those are the two elements: the ability and willingness to change and subsequently the willingness to learn and to do so on a continuing basis. It goes beyond that. We need to develop people who have the ability to handle the technological and social aspects of living and working. We are developing some very competent people in the technological area. We are not developing them as a balanced position in terms of handling their social and other situations.

Let me alert the House to the findings of *Maclean's* magazine which just did a poll ranking all the universities in Canada. It became pretty obvious on listening to various people that what individuals require today is the ability to do technical work very effectively and at a very high level. However at the same time they need to be able to balance their home life and their primary relationships with other people. We need this balance in people but we need more than that. We need technological development in areas that are not presently being developed.

It was rather interesting to listen to some of the captains of industry say that they need emphasis, willingness and ability in people who deal with computers and the skills required to do that successfully.

Today there is the breakdown of our families. If there was ever a need for the family to be strongly structured it is in this situation where constant learning is required. When there is a need to change there has to be a place where there is quiet, comfort and security. That comes from strong interpersonal relationships which are best found within the family. As we develop these other aspects, the high technical skills, we need to develop the reason and the basis for strong families and strong primary relationships.

In order to achieve that what is necessary? We need a balanced education system, one that encourages an entrepreneurial spirit which shows people how to be entrepreneurs. We live in a culture that encourages entrepreneurship and rewards the risk taking that is incumbent upon those who venture out in their own businesses. We then need to develop that skill and ability for people to blend economic and management awareness with science and technology.

It is so easy to become focused in a very narrow area of a science or technology and forget that unless we can manage people it does not matter how good we are at running machines or computer programs. We have to learn to manage people. In the new high tech industries that seems to be the area which is most in need of development.

It goes beyond that. We need to have a balance among educational institutions. There are hundreds of universities in this country. They seem to spring up all over the place. It seems to me that parents want their kids to go to university. That is the best. The summum bonum of all education aspirations is graduating from university, preferably with a Ph.D. That is not necessarily the requirement for technological development. We need to balance our institutions so we focus on the highly academic skilled people but also develop the person who can do the actual technical stuff of putting a computer together, of writing a computer program, of recognizing the interrelationships of computer networks and things of that sort.

• (1315)

We need more than just university institutions. We need other post–secondary institutions. We have technical institutions such as BCIT, the Northern Alberta Institute of Technology and institutions of that nature, but we need a group that goes in between those as well, which brings a level of sophistication and understanding of a Ph.D. but that is not a Ph.D. in the academic sense, but rather in the technical and science sense, as contrasted with existing university programs.

There are two specific suggestions I now draw to members' attention. The first is it is necessary for us to examine, validate and help diffuse or reject research studies prepared by other organizations and build on valid work by undertaking or commissioning research to study the linkages between education and the economy, the forecasting of skill requirements, international comparisons, quality of education and training, gender and equity policies, student learning styles and core curriculum.

The second is to facilitate linkages between all levels of the education system: business, labour, government, the community, social services, non–governmental organizations. If we move into that kind of environment we will do away, or at least certainly reduce, the town/gown conflict that exists now between the university professor on one hand who rests primarily on his seniority to maintain his position rather than on new ideas. We have some wonderful professors who have great seniority and who rest on that thing. A lot of them need to change their lifestyle and have a new orientation.

We also need to develop a receptivity among our companies, our various industries, that they will take and integrate into their operations the best practice technologies. Then we can play the leadership role that Canada is capable of in the development, commercialisation and marketing of technology. The challenge is ours. We can do that.

Another area I draw attention to is developing the science and engineering infrastructure. We need to again emphasize the excellence required in education, the excellence in skill development and a vibrant research department.

The complexity of the relationships among research, education, skills training, innovation and competitiveness is not to be denigrated. It is extremely difficult and it is the one area where we have not done a good job. This bill should have addressed those kinds of things. It did not.

Universities, community colleges and technical institutes must re–examine their missions, establish clear goals and improve the mobilization, allocation and management of their resources to achieve these goals.

Consideration should be given to the complementarity between the program offerings of colleges and universities as well as to greater differentiation between the roles and missions of each institution. Concurrently there must be a review of post–secondary funding in view of redefined missions. This review should result in a clear definition of goals, outcomes and increased accountability.

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, it is an honour and a pleasure to be here today as the member for Portage—Interlake in Manitoba and speak about Bill C–96, the act which will formally establish the new Department of Human Resources Development, a department for which my close colleague and fellow Manitoban, the hon. member for Winnipeg South Centre, is responsible.

Some might ask why the Secretary of State for Science, Research and Development would be particularly interested in talking on Bill C–96. There are several reasons. First and foremost, the bill brings together people and resources in a new way, a way that will position the Government of Canada to play a more effective role in human resource development.

The bill is central to a redefinition of the role of government in Canada, a role that improves the ability to form partnerships, to share resources, to enhance local and national understanding of the issues and to use national networking and research to ensure effectiveness and accountability.

• (1320)

It is a paradox perhaps of our age that governments, like computers, must cost less and do more at the same time. Sharing powers through partnerships, bringing groups and resources together at the local level is the process this bill enables, a process essential to meet the challenge of our times.

The process is now operating in many locations across Canada: at the new Learning Centre in Portage la Prairie, at the Learning and Life Centre in London, Ontario, at le Centre de resources humaine de Matagami in Québec, and in many other areas.

Sectoral partnerships like the Automotive Repair and Service Council, the Canadian Steel Employer's Council, partnerships with industry leadership, are further examples of sharing, decision making and resources through partnerships.

[*Translation*]

Decentralization and a sharing of powers through partnerships, a regrouping of stakeholders and resources locally, this is what the DHRC is about and this is what Bill C–96 will enable us to continue doing.

[*English*]

We now live in the knowledge age, a time when an understanding of science and technology is vital for the development of human resources. This has happened for several reasons. More and more of the employment and the business opportunities of today depend on a knowledge of science and technology.

Over the last five years there has been a net gain of more than a million jobs for those with a college or university education but a net loss of more than 600,000 jobs for those with only high school training or less.

Employment in some science and engineering based areas, computer science, software engineering, advanced materials, biotechnology, environmental technology, are now and continue to be among the fastest growth areas for employment. Just being able to use a computer well in one's job has been estimated to provide a 15 per cent additional income benefit compared to a similar worker without such skills.

Science and technology are important as well because they are increasingly essential for the efficient delivery of government services. In Portage—Interlake constituents have historically often had to travel long distances to get to the nearest Canada employment centre.

Constituents from Ashern, Gypsumville, Dauphin River, Peguis, Fisher River, Jackhead and many more communities have had to travel two, three, four hours one way to get to the nearest Canada employment centre.

Fortunately due to the advance in technology and the foresight of the Minister of Human Resources Development it will not be long before employment kiosks are much closer so that increasingly constituents will be able to receive effective service in their own communities, as the citizens in Stonewall in my riding already do.

We look forward to the day when such service will be provided cost efficiently over the Internet to all people in their own communities. The government's community access program is providing rural communities across Canada the opportunity to get connected and to be served effectively at home.

Science and research are also increasingly essential to the design and the implementation of programs through the human resources development department.

As the National Advisory Board on Science and Technology emphasized in its report "Health, Wealthy and Wise", all levels of government need to evaluate the effectiveness of their programs and the efficiency of their delivery. They need to begin to understand the underlying causes in order to reduce the overall demand for remedial social programs.

NABST further emphasized that social science humanities research may be the key to responding to these issues. NABST singled out the self–sufficiency project of the human resources development department as an example of the sort of critical action research needed, testing by doing.

Numerous strategic initiatives now being undertaken by the human resources development department follow in the same fashion. Examples include the taking charge initiative in Manitoba, helping single parents on social assistance, and the improved access to child care initiative in British Columbia, a four–year project to test new ways of delivering and developing child care services.

• (1325)

[*Translation*]

The Government of Canada is not taking the lead in any of these initiatives. We do not want to take the lead. It is the results of these partnerships that interest us.

[*English*]

It is the creation of the human resources department in its present structure and the leadership of its present minister which have allowed the effective integration of sophisticated social science and program design so that we can expect to see for the first time with the upcoming reform of the unemployment insurance system an overhaul which has effectively used science based testing to ensure a better and far more effective program.

Science and technology in the development of human resources are only effective to the extent that they are used wisely and are balanced by the ability to develop critical human elements, ethics, discipline, creativity, hope, courage, self–esteem, compassion, tolerance, diversity, co–operation and team work.

It is also these elements which are important and can be nurtured within the focus of the new department which is focused on co–operation and partnerships, sharing resources and decision making, targeting these values. Our bottom line is that we must advance in the development of human values even as we advance in science and technology for economic purposes. To make wonderful developments in science and technology for economic goals alone but to fail to make the same developments in social and human sciences would be like a see–saw with all the weight on one side.

In this context it is appropriate to mention today, national child day, the important role the newly developed human resources development department can and is playing in nurturing the children of Canada.

Let me use an example of an effort in my riding of the newly opened learning centre in Portage la Prairie. It offers technology to help provide citizens with an alternative learning mode, including self–directed computer based learning, for all levels from grade 4 through first year university. The facility is of relevance to single mothers and their children.

As noted in the statistics reported last week, some 56 per cent of single mothers in Canada live in poverty. These mothers and their children deserve and need our attention. At the Portage learning centre they are receiving it. It is coupled with a day care facility which enables single mothers to be full participants and to learn new skills and to enhance their success in the participation in the job market and to enhance their income.

This example and many others like the improved access to child care initiative I mentioned earlier are important building blocks for our society and our children tomorrow.

Let me now return briefly to the theme I began with, a new department with a new approach, decentralized in that it shares resources and decision making in the most effective ways. This approach allows the rapid emergence and development of creative local initiatives to respond to local needs, and yet at the same time provides a nationally networked department which can share experiences, best practices and test results from new initiatives from one end of Canada to the other.

[*Translation*]

Today, the government has begun an in–depth reform of our labour market and social security programs, by creating a system of employment for the 21st century.

[*English*]

As a government we started the process of reform from the ground up. We have engaged almost 100,000 Canadians directly in deciding how to deal with unemployment insurance, how to deal with job programs, how to deal with issues like employment equity and child care.

The result will be a job system built by Canadians for Canadians. The result will be a system preoccupied not with turf wars but with results and getting things done. The result will be a system run by partners who can get those results. The result will be a system that favours the creation of employment in the wealth creating private sector rather than enlarging the government sector.

That is what Canada needs and that is why the government is creating through Bill C–96 a new Department of Human Resources Development and ensuring its mandate.

• (1330)

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, as soon as the all clear sounded on October 30, the government rushed to release a flood of centralist and/or antisocial bills. These bills had been ready for some time, but it would have been poor timing to table them before the referendum and in the process cause many voters in Quebec to turn away from that great and beautiful Canada of ours in the privacy of the voting booth.

It was a close call for Ottawa, but now that it has managed, just barely, to negotiate this rocky stretch, the government can at last heave a sigh of relief and calmly pursue its usual goals. Can a leopard change its spots? Of course not. So, full speed ahead, towards an even bigger and more beautiful Canada which, according to this government, means even more centralized and antisocial.

The promises to decentralize, made in a prereferendum panic, are now gone with the wind of victory, slim though the margin was, and too bad for the believers who naively voted no.

Remember the last days of the referendum campaign, when the polls made them break out in a cold sweat and federalism's big guns sang the hymn to decentralization. They understood what we wanted, they chorused, and they loved us. Time would tell. From now on, provincial jurisdictions would be respected. If we voted no, there would be no more wicked ministers trying to graze in the greener pastures of provincial jurisdictions.

After the majority voted no, the very first thing this government did, as if to make it abundantly clear to those who had not yet understood how they had been tricked, was to table the bill before the House today. A real masterpiece of centralization and leap–frogging over the heads of the provinces. The no side won, which means there is no longer any incentive for Ottawa to respect us. Here comes the first wave over the dam, Bill C–96, loaded with new powers Ottawa has the effrontery to assume in the field of manpower training, thus ignoring not only its own promises but also a general consensus in Quebec including even the Liberals.

Until now, the minister could not sidestep the provinces altogether in this area, to enter into agreements with financial institutions, persons or bodies, as the minister considered appropriate. This was of course intolerable. It was high time the referendum was over with, so the government could finally do something about this. Otherwise, people would start thinking that Ottawa respected the powers of the provinces.

Some will say that one swallow does not a summer make. One centralist bill is not necessarily a harbinger of all out centralization. It is true, but, believe me, you can trust the government, a whole flock of swallows is on the way. Bill C–96 is merely a forerunner, Bill C–95 is already peeking out from behind it. This bill not only gives birth to the Department of Health, it is giving it as a christening gift comfortably broadened ministerial powers.

Before long, we will also be seeing Bill C–98 with which the government is giving itself environmental control over the oceans and also the waters that flow into the ocean. Now, since all waters flow into the ocean—

In short, ever shrinking transfers to the provinces and ever expanding involvement in provincial jurisdictions. Pay ever less and control ever more: this is the incredible policy of our colleagues opposite. How long, we wonder, will the other provinces meekly go along with this little game.

• (1335)

If they accept another round of cuts to their rights without flinching, it makes little sense to me, but, after all, it is their business. However, this steam roller of a centralizing and antisocial legislation whose rumblings we hear, this campaign that they have just boldly launched against provincial prerogatives now that they have nothing more to fear, this bellicose rumour arising from the ranks of the Liberals, can you see how clearly it is revealing the intentions of the Prime Minister when he talks about unearthing old legislation that has fallen into disuse?

The aim, as everyone will see, is to prevent Quebecers from holding a third referendum when the time is right. All the Quebecers who were misled into voting no because they believed in the promises made are very likely to change sides, do you not suppose, and vote yes after the steam roller has gone by. At that point we will be able to assess the damage done to the social safety net and to provincial jurisdictions. What kind of reaction can we expect from Quebecers faced with the inflated arrogance of the federal government as it sports the new powers it has snatched from the provinces like new plumage?

One day we will be sovereign, because one day a majority of Quebecers will understand. Believe me, they will not be misled again by excessive flattery before the referendum only to be pistol whipped after. This is why those opposite want nothing to do with a new referendum. Bill C–96 will at least begin to open the eyes of the half of Quebecers who have yet to understand.

[*English*]

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, it is a pleasure to speak to Bill C–96, a bill which talks of partnership, of collaboration between the federal and provincial governments, of the need to develop our greatest asset, human resources.

I know firsthand from my constituents in Saint–Denis that we must develop efficiently this important resource in order to meet the challenges facing Canada in the 21st century.

Questions have been raised about the powers granted to the minister in this bill, specifically with respect to clause 6, which sets out the mandate of the department. They suggest that somehow this clause allows the federal government to intrude on matters of provincial jurisdiction. I find myself puzzled by some of those questions. I wonder if we are all reading from the same bill or do some members opposite have their own private version that they would like to share with us.

In my copy of the bill, clause 6 has a very important and very clear phrase that puts definite limits on the minister's powers. It limits those powers to "matters over which Parliament has jurisdiction". What part of that phrase is unclear?

By some kind of hocus–pocus, members opposite read that phrase and it comes out "matters over which the provinces have jurisdiction". That is just plain nonsense. It is not what the bill says. It says just the opposite.

[*Translation*]

In fact, Bill C–96 does not affect federal and provincial powers in any way. It does not give the minister any extra powers or undermine those he already has. All the powers now granted to the minister under the law will remain the same.

Bill C–96 does not create any new programs or bring any substantial changes to those that already exist. All programs and services in effect the day before this bill is passed will remain the same.

There is no ambiguity in this. There is no doubt whatsoever. Whichever way you look at it, this bill does not grant any new powers. This encroachment exists only in the fertile imagination of those who would like to see such an encroachment.

[*English*]

Perhaps some members would be more comfortable if clause 6 spelled out in laborious detail all the specific programs offered by the government. That is certainly an option but it is an option the government decided would be ill–advised and counterproductive.

We are dealing with a very large department and with a wide range of programs and services. Enumerating all those programs point by point would take pages and in the end nothing very positive would be accomplished.

• (1340)

The whole direction of the department, of the government, of governments at all levels and indeed most business organizations is to stay flexible and ready for change. At a time when flexibility, streamlining and efficiency are so important, it makes sense to set out the responsibilities of the department in a better way. That is what clause 6 does. It sets out the basic objectives of the department: enhancing employment, encouraging equality and promoting social security. These objectives

are very clear. They are very important and are within the jurisdiction of this Parliament.

The people who use our programs every day, whether they are in Newfoundland, Quebec, Manitoba or British Columbia, do not want the federal government to shirk its responsibilities. I trust that no one in the House is suggesting that we do so.

At the same time, we all recognize that there is room for more productive partnerships between all levels of government. We recognize the need to clarify roles and responsibilities in labour market development. That is why we have made it very clear that as we proceed with social security reform, as we put a new unemployment insurance program in place, as we develop a new human resource investment fund and the Canada health and social transfer, we are open to change.

We are willing to take a hard look at who is in the best position to deliver programs and services most efficiently. It may well prove that some programs managed now at the federal level can be better managed by others: the provinces, private sector partners or community groups.

The federal government wants to work with Quebec and all provinces with an open mind. We are really not interested in turf wars. We are interested in working with our partners in a constructive way to meet common goals and serve Canadians.

[*Translation*]

Let us consider the agreements already concluded between HRDC and Quebec: the interim Canada–Quebec agreement on certain manpower development measures; the agreement on the implementation of a deal affecting welfare recipients; the Canada–Quebec agreement on agricultural employment; the block funding granted Quebec under the Canada student loans program, to name but a few.

These umbrella agreements may not be perfect, but they work. They directly affect the lives of thousands of people in that province.

[*English*]

The whole thrust of HRDC activity is to strengthen those partnerships and to decentralize power away from the centre to the local level. Labour market programs and services are already among the most decentralized of all federal programs. We are decentralizing them even further with a new, modern service delivery network firmly rooted at the local level in communities across this country.

The federal government is also committed to working with the provinces to provide the most flexible services possible to Canadians.

[*Translation*]

For example, the Canada transfer for health and social programs will give Quebec another source of funding for measures such as the parental wage assistance program or PWA, which cannot be funded under the old system; the provincial sales tax rebate to welfare recipients, which does not come under the old system; a nutrition program for disadvantaged children, which cannot be funded under the old system either; as well as transportation services for handicapped people, without having to assess the needs as would be required under the old system.

[*English*]

Because clause 6 of Bill C–96 sets out the department's mandate in terms of general objectives rather than the minute details of existing programs, we will have this kind of flexibility. It provides a basis for a more efficient department and clears the way for continued evaluation and reform down the road.

[*Translation*]

Diverting the course of the debate on this bill by inventing jurisdictional problems—by finding in clause 6 words that are obviously not there—is doing a disservice to thousands of Canadians across the country who benefit every day from the services provided by the Department of Human Resources Development.

It is doing a disservice to the million Quebecers throughout that province who rely on and use this department's services, to the people who come to our human resources and student employment centres, who register in our employment programs, who receive unemployment insurance, who benefit every day from the $14 million that HRDC spends in Quebec on an annual basis.

• (1345)

[*English*]

Canadians are entitled to the best possible services. They deserve the kind of integrated, focused, practical programs that HRDC is working to deliver, and Bill C–96 is important to that effort.

Let us not sacrifice good, productive service on the altar of rhetoric. In the end all levels of government are striving for the same goal: to help people find and keep good jobs. That is what is important. That is what we promised as a party and that is what we are delivering as a government.

I have numerous examples in my riding of programs that work. Young people who had no future, who had no hope for the future, are now in programs financed by the department. I have the example of 13 young high school dropouts who are now in a program that is a collaborative effort of the federal government and the private sector. All 13 of them will have jobs the minute that program ends.

We need to consolidate the progress we have achieved in integrating social and labour market programs and sharpen the focus on developing Canada's human resources. More important, we need to clear the way for further progress as we launch the new employment insurance program, as we develop new programs and services under the human resource investment fund, as we work to improve programs for seniors, and as the department continues to re–engineer and streamline services to Canadians.

It is important to clear up the administrative tangles left over from earlier times. It is important to establish a clear identity and coherent mandate for the new organization to function properly. It is important to ensure that as the department looks to the future there is a solid foundation to build on. As I said earlier there are numerous programs by which we want to build a solid foundation for the young people of the country. For instance, the youth services program in my riding has helped a number of young people have hope for the future, as I said earlier.

Bill C–96 provides that foundation. We need to pass the bill and get on with the work of serving Canadians.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I rise today to speak to the government's Bill C–96, an act to establish the Department of Human Resources Development.

The bill basically does little more than transfer legal powers from the former Ministry of Employment and Immigration to the new department. In summary, the enactment establishes the Department of Human Resources Development with a presiding minister to be appointed by commission under the Great Seal of Canada, with the powers, duties and functions as therein set out, and a deputy minister to be appointed by the governor in council with provision for employees. It also provides that a minister of labour may be appointed and that a deputy minister of labour may be designated. That is it.

With all the huffing and puffing the minister of human resources did regarding his intentions for social reform, Bill C–96, all 44 pages, does very little but change the name of the department and continue as usual.

I will comment on a few clauses I take issue with before I address the need for social reform especially for our seniors. I fear clause 6 means the government will continue to interfere in the provincial areas of social programs, in other words entrench the status quo that causes overlap and duplication.

Clauses 20 and 21 enable the minister to enter into negotiation with any group including the provinces and municipalities. The provinces are waiting for less interference in social programs. Reform would support real decentralization with the provision of power going directly to the provinces to administer at their discretion.

Then there is the matter of government accountability. If there is no annual report from the department how will Canadians have full knowledge regarding its administration and cost to the taxpayers? We are also kept in the dark about staffing in the new human resources department. Will it increase or decrease?

Canadians have waited a year for the discussion paper to come out. It seems we are still waiting. Once again the government, in this case the Minister of Human Resources Development, has failed Canadians. There is no meaningful social reform in the bill, no decentralization as the provinces have been asking for.

As Reform's deputy critic for human resources I must look at seniors' concerns. I must tell the House that seniors are so concerned about the future of their pensions that Canada's usual seniors groups have joined to create a coalition of seniors for social equity. The coalition consists of five major national seniors groups concerned in a large part about the future of income security programs for the elderly. It is hoped that by giving seniors a strong voice the coalition which claims to represent 500,000 seniors across Canada will ensure that government considers the wishes of seniors. The paper was written a year ago. I must consider the remarks of one senior spokesperson who stated:

> When our coalition was formed, we set ourselves some rigid criteria. We decided that we, as seniors' organizations, have to face the hard facts. We have to recognize that the deficit and growing government debt are real. We have to recognize that the elderly population is growing faster than the population as a whole and that government expenditures on the elderly are increasing.
>
> We recognize that seniors, like others in society, may have to pay higher levels of taxation and receive lower levels of government services. The seniors of today have always paid their fair share to society and will continue to be willing to do so. What they object to is being singled out to pay more than their fair share. Seniors recognize that, with due consideration and consultation, some changes may be necessary to the income security system for older Canadians.

• (1350)

They stated their major concern as follows:

> When change is necessary, people who can adjust must be given enough time to plan and adjust, and those who cannot must have benefits continued.
>
> People have to know what to expect when they retire so they can prepare their financial affairs well in advance.

It is interesting to note that others in society, especially the financial experts, say the same thing. Most Canadians recognize that due to the country's changing demographic profile Canada's pension system is facing a cash flow crisis.

The Canadian birth rate soared after World War II, producing a baby boom generation that will start to retire around the year 2010. The number of pensioners per working Canadian will more than double by the year 2031.

This would not be a problem if Canada's government administered pensions were funded, that is if each person's contributions to the CPP were placed in an individual account and invested. Instead the CPP is funded on a pay as we go basis. For example, the funds collected from today's workers are paid out immediately to today's pensioners. Thus every time the ratio of retirees to workers increases the per capita cost of the system to workers increases in lock step.

Canadian politicians have shown little creativity in addressing the pension funding crisis and seem to believe that the rise in pension demands can be dealt with only by cutting benefits to pensioners or by raising taxes for working Canadians. If the first of these two options is chosen, pension benefits will have to be cut by over 50 per cent by the year 2031 to keep payroll deductions for CPP at their current levels.

If the second option is chosen, taxes on working Canadians will be driven to unprecedented heights. To maintain CPP benefits at their present levels payroll deductions will have to be increased from the current level of 5.4 per cent to 10.28 per cent by the year 2011 and eventually over 14 per cent. That source is from the Canada pension plan 15th statutory actuarial report of February 1995.

Health and Welfare Canada in "Charting Canada's Future", 1989, stated:

> The term "demographic aging" refers to an increase in the relative weight of the elderly in the total population. The aging of the Canadian population has come about largely because of declining fertility rates and, to a lot lesser degree, because of an increase in average life span.

By the time the post–second world war baby boomers retire roughly one in every five Canadians will be 65 years of age or more, compared to approximately one in ten today. What is more, while senior citizens will form an increasingly large proportion of the population the percentage of young people will decline.

It is wonderful news that our seniors are living longer and healthier lives. However with this fact comes the realization that our social programs must change.

Unfortunately, although the Minister of Human Resources Development promised change to our social system two years ago, we are still waiting. Why is he still compiling evidence when our government's experts have had papers written on the subject for years now? Is he hoping that through more and more consultation he can stall any meaningful change until after the next election?

I wonder when politicians will realize that Canadian voters only expect their politicians to do their best while spending the Canadian taxpayers' dollars wisely. If the government starts to show that responsibility and accountability are major considerations in any social reforms program the government initiates, the Canadian public will be supportive. If politicians do their job there is nothing to fear from voters. When politicians do not do their jobs, force unwanted legislation on Canadian voters, appoint friends and party faithful to high positions, keep Canadian citizens dependent rather than helping them to be independent and productive, Canadians lose faith in their politicians.

• (1355)

Our human resources minister said it in his article "Breaking Down Barriers" in *The Hill Times* of August 31, 1995:

> By changing nothing, we are condemning people to the same old rut, the same old cycle of dependency which has been holding people back for years. And what is worse by ignoring fiscal imperative, it won't be long before the international financial community is going to come in and dictate those changes for us.

If he thinks this way, why is he doing nothing? The Liberal government promised that by the fall of 1994 it would implement comprehensive reform of Canada's social programs. Instead, in October 1994 the Minister of Human Resources Development issued a paper "Social Security in Canada". To date no meaningful legislative changes have been introduced. The minister has also promised that a comprehensive paper on aging including pensions will be issued by the end of 1995.

The Reform Party has a proposal for seniors to look at. It is responsible social reform, taking a look at reforming the Canada pension plan to secure retirement years for all Canadians.

We recognize and listen to all the experts, including the chief actuary for Canada who states that CPP will be exhausted by 2015. He predicts that CPP will be gone in 20 years. What is to become of the millions of Canadians at that time who are currently contributing to the unsustainable black hole? What happens to the next generation with no hope of receiving its benefits?

The groundwork for the Reform Party's revision of Canada's social policies was outlined in the taxpayers' budget of February 1995, a blueprint for achieving both fiscal and social security for Canadians in the 21st century.

I wish there was time to go over Reform's four–point plan which addresses the seriousness of the upcoming pension crisis in Canada. Basically it deals with protection of seniors' benefits, recognition bonds, super RRSPs and survivors' benefits.

The Speaker: It being 2 p.m. we will now proceed to statements by members.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

MEDICAL RESEARCH COUNCIL

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, this year marked the 35th anniversary of the Medical Research Council of Canada. Over 35 years the MRC has played a key role in establishing one of the most influential and efficient biomedical research communities in the world.

Canadian medical achievements are numerous, including the discovery of a gene linked to Alzheimer's disease, progress in the understanding of muscular dystrophy, and the development of an innovative approach to reducing the side effects of aspirin.

The Medical Research Council of Canada is a vast network of people seeking better care for Canadians, a fairer distribution of health care resources, new knowledge and more effective medical and surgical interventions.

The Medical Research Council is an organization truly worthy of continued federal government support.

* * *

ATLANTIC CANADA

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, a short time ago I had the opportunity to visit Prince Edward Island. Aside from the beauty of the Island and the friendliness of the people I could not help but notice the political oppression of the system in Atlantic Canada.

Politicians use their positions to garner support through patronage and threats. For example, one day I met a provincial cabinet minister and informed him of a public meeting planned for later the same day. The minister appeared that night not to attend the meeting but to find out who else was attending. More than one person turned and walked out the door when they saw the minister.

If the people of the Island cannot openly express political beliefs and attend a meeting without fear of reprisal, we must challenge the system under which Islanders live.

The Reform Party is offering Atlantic Canadians a positive alternative, an alternative that will allow them to break free from the system of political oppression they are now forced to endure.

* * *

DIABETES AWARENESS MONTH

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, the statistics are staggering. One and a half million Canadians are diabetic. The disease grows at a rate of 6 per cent per year. By the year 2004 experts predict that one in four Canadians over the age of 45 will have developed the disease.

November is Diabetes Awareness Month in Canada. Most people do not realize that diabetes is the leading contributor to heart disease, stroke, kidney failure and blindness. Furthermore, most people incorrectly believe that insulin is a cure. Across Canada we spend $200 per person annually to treat diabetes and diabetes related illnesses. That totals $5 billion in government health expenses alone.

I commend the Juvenile Diabetes Foundation for its efforts in this, the 25th year since its formation, for continuing to fight for a cure to this disease.

During Diabetes Awareness Month let us all do our part to raise awareness and dollars to make sure that the slogan of the 1990s is achieved and truly make this the decade of a cure.

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UNITED NATIONS

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, 1995 is the 50th anniversary of the United Nations. On Wednesday of this week the Secretary–General of the UN, His Excellency Boutros Boutros–Ghali, will be in Ottawa to commemorate this event.

It is fitting today to remember that Canada is a founding nation in this great institution. For me it is also fitting and a great honour to recall the contributions of my predecessor from Windsor—St. Clair, the Right Hon. Paul Martin, Sr., who was committed to the success of the United Nations and who was there at its inception.

I know that all members will join me in welcoming His Excellency Boutros Boutros–Ghali to Canada and in wishing continuing success to the UN.

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NATIONAL CHILD DAY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, today we commemorate the adoption of the UN Convention on the Rights of the Child.

In 1989 Canada and other member countries of the United Nations gathered together to develop a set of formal obligations to the world's children. At that time a standard was set for nations with the best interests of the child being the primary concern in all actions relating to children.

The government takes seriously its responsibilities to better the lives of Canadian children. As Canadians we must be vigilant to ensure that the values and guarantees in the Convention on the Rights of the Child are respected.

Let us today, on National Child Day, renew our commitment to the promises we have made to the many hungry and neglected children who are depending on us to ensure their future is as bright as it can possibly be.

* * *

OKANAGAN CENTRE

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, last week I spent some time knocking on the doors of constituents.

I asked people what was of concern to them now, halfway through the mandate. Three issues were stated most frequently. Several seniors said: "I'm afraid to go out on the street alone in my neighbourhood. Several years ago I felt no threat for my own safety as I walked to see my neighbour. Today I either take a cab, my car or ask someone to come with me. Can't you do something that will discourage the criminals?"

The second issue was: "When will the government get its spending under control? I am worried that when I reach retirement age there won't be any money left for me".

The third issue came from a 16–year–old. He quoted Winston Churchill: "Democracy is the worst system ever invented except for all the rest". He talked about the problems of the Quebec referendum balloting and said: "We need to tell the government to do everything it can to punish the guilty ones and to make sure that we take all possible precautions to prevent it from ever happening again".

That is what the people are saying. I challenge the Prime Minister and every MP to get on with the Canadian agenda.

* * *

LOUIS RIEL

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, last Thursday I had the honour to be invited by the Metis Nation of Saskatchewan to join them to commemorate the 110th anniversary of the hanging of Louis Riel, a most important date on the Metis calendar.

That the Metis community would come together to mark one of the gravest crimes ever committed by the Canadian government against one of its leaders says a lot about the determination and the patience of the Metis people.

To some degree history has put Riel's contributions to Canada into perspective. The House has pardoned him of the crime for which he was executed and now he is rightfully recognized as a Father of Confederation. While we have made some retribution to Riel's memory we have failed as a nation to properly recognize the role that the Metis have had in building this country and their rightful role in its future.

Riel was twice elected to sit as a member of this House and it is an honour to be in the same House as someone whose commitment to justice and to the west was so firm.

Last Thursday's ceremony was a reminder of the continuing struggle for justice that the Metis people are waging and the need on the part of Canada to redress the years of injustice. Each of us in this House has an important role to play in that struggle.

* * *

[*Translation*]

STRIKING COMMITTEES

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, it is becoming increasingly obvious to anyone listening to the conflicting remarks made by ministers of this government that they cannot honour the promises made in the final days of the referendum campaign.

• (1405)

Unable to develop a policy that meets the traditional demands of Quebecers—demands that they had been denying for years—the best that these ministers can think of is to disguise their failure to act by striking one committee after another.

First, they announced the establishment of a phoney committee on national unity, but the ministers who were to sit on this committee did not know that they were members of the committee. They did not even know what their mandate was.

Then, a shadow committee on economic growth and employment was established. Two years after taking office, the federal ministers have decided that the time has come to start tackling the problem of unemployment. More committees and still no action. This reeks of improvisation.

* * *

[*English*]

NATIONAL CHILD DAY

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, in March 1993 the Government of Canada designated November 20 as National Child Day.

The enactment of National Child Day was a culmination of efforts by Our Kids Foundation in Ottawa which convinced the government to designate a special day for children.

The adoption of the Convention on the Rights of the Child and National Child Day reflects the growing recognition that children are important in their own right and valued members of our society. It also provides us with the opportunity to reflect on the special needs of children and the matters that concern them.

I have been collecting letters from children across the country who urge the Prime Minister to remember the promises made at the World Summit for Children in 1990 to reduce poverty and illiteracy. I have received over 100 heartfelt letters from children of all ages.

We need to work together to improve the well–being of children from all nations as they are truly the future of the planet.

* * *

NATIONAL CHILD DAY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to recognize in the House this country's greatest asset, our children.

In March 1993 the Government of Canada designated November 20 as National Child Day. To mark this occasion, communities across Canada are hosting a variety of activities and events to celebrate children and their families.

In the words of Dr. Benjamin Spock "children are made to love". Parents love children because they remember being loved so much by their own parents. And despite all the hard work, taking care of children and seeing them grow and develop into fine people gives most parents their greatest satisfaction in life. To reflect on children we see that this is creation, this is our visible immortality.

Today is National Child Day. It should serve to remind us all that every day is a good day to love our children.

* * *

THE SENATE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, since the Liberal government took office two years ago, the Prime Minister has made 12 patronage appointments to the Senate. This is complicity in the degrading politics of an undemocratic, unaccountable institution.

The other place consumes over $40 million a year from hard pressed, taxpaying Canadians. Does it actually serve a purpose or is it just a rubber stamp for bad legislation?

In the last few days the justice minister has stated that he will not accept any amendments to Bill C–68 which might be proposed by the Senate. A few weeks ago he also said that Senators should get on with their function and pass the legislation. The government cannot have it both ways.

Either the gun control amendments will be coming back from a powerful, unelected body of partisan failures, flatterers and pleaders for special interests or it is a legitimate part of Canada's legislative process.

I ask again: Does the Senate serve a purpose or just act as a rubber stamp for bad legislation?

[*Translation*]

NATIONAL CHILD DAY

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to mention that November 20 is National Child Day. Today, and for the third consecutive year, we are taking the time to stop and recognize the rights of children from coast to coast.

To recognize that our children have rights is to recognize also that we have a responsibility to ensure that they are raised in a proper environment conducive to growth and development.

In Canada, a country that calls itself the best in the world, more than one million children live in poverty. For a child, to be born poor also means facing higher risks of emotional and physical health problems because it clearly makes them more vulnerable to the consequences of poverty.

Let us take this opportunity to reflect on the future we are preparing for our children, and particularly on the impact that the actions we take today will have on them tomorrow.

* * *

NATIONAL CHILD DAY

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.): Mr. Speaker, November 20 marks the third anniversary of the National Child Day. This date was chosen to recognize two historical events, namely the UN Declaration of the Rights of the Child and Convention on the Rights of the Child.

• (1410)

[*English*]

This convention is aimed at ensuring the survival, protection, development and participation of all children and was ratified by Canada in 1991.

[*Translation*]

We have a responsibility to preserve the well–being of those children who could be victims of criminal acts, abuse or neglect. By investing in child care from the early stages on, we will ensure that children do not have to go through some of the adjustment problems associated with the teenage years. This, in turn, will have the effect of reducing the financial burden associated with welfare, crime prevention and remedial education.

In conclusion, I invite all Canadians to join us in celebrating this day.

[*English*]

NATIONAL CHILD DAY

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, today is National Child Day, a day when we celebrate our children, a day of happiness, a day when every child should wear a smile.

Children are our future. As a society we must do everything we can to ensure their happiness and their ability to lead full and productive lives. Childhood is a most critical stage of life. It is during this period that we must provide proper nutrition, good health care, complete education and above all encouragement and guidance to our children.

I invite my colleagues to join with me in celebrating our kids and our future at the Cherish the Children Gala tonight at 7 p.m. in Room 200, West Block, here on Parliament Hill.

Also, join with me in wishing all those who are born on this day a very happy birthday.

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[*Translation*]

DEMOCRACY

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, people in Quebec and in Canada are not surprised by recent statements from the Prime Minister, who is experiencing a severe panic attack. We now know that if the yes side had won the referendum, the Prime Minister would have rejected the democratic choice made by Quebecers.

The Prime Minister also said that he would take all necessary means to ensure that Quebecers are no longer consulted through a referendum on the issue of sovereignty. These two statements alone confirm an absolute lack of political ethics on the part of the Prime Minister and his entourage. But the Prime Minister went even further when he said that CBC's information services do not comply with their mandate, which should be to actively promote Canadian unity.

The Prime Minister's lack of respect for the public consultation process and for those who hold different views clearly confirms that he turns his back on democracy when it takes a direction with which he does not agree.

* * *

[*English*]

TAXES

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the Minister of Finance has not cut spending by a single penny. In fact, spending is up by $2.8 billion this year over last.

The one thing that saved the Minister of Finance and allowed him to meet his deficit reduction target was that he squeezed Canadian taxpayers for another $7.3 billion; $2.8 billion of that was applied to the ever–rising cost of servicing our debt and $4.5 billion was used to reduce the deficit.

Is it the intention of the Liberal government to balance the budget on the backs of the taxpayers? If it is, taxpayers need to know the costs. Their taxes will double in the next 10 years in order to pay for the ever–rising cost of the debt while reducing the deficit to zero.

By that time, the government will have killed the goose that laid the golden egg and the rich will have joined the ranks of the poor.

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NATIONAL CHILD DAY

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, today, November 20, Canadians all over the country will be celebrating National Child Day.

The Government of Canada designated this special day to pay tribute to children and everything they offer us today and in the future.

November 20 also marks the adoption by the United Nations General Assembly of the Convention on the Rights of the Child. That convention is important because it deals with every aspect of the life of children and youth. The convention provides a framework to value and respect children and youth as full–fledged human beings.

In this International Year of Tolerance, we encourage all partners to pay special attention to issues such as equality, integration, sharing and understanding, especially when these issues relate to children and youth.

Today I call on all members of the House to join in the celebration of National Child Day. We must listen to our children and youth and treat them with compassion and respect. In doing this we build stronger communities and a prosperous nation.

Remember, children are important because they are Canada's future.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the government, if there is still one over there.

Having already implied that he did not intend to respect the outcome of the referendum, the Prime Minister stated a second time that he wanted to stop Quebecers from holding a second referendum on the future of Quebec if they wished to. In a repeat

performance later, he criticized the CBC's lack of partisan involvement in the referendum campaign. The CBC was too impartial for the Prime Minister's taste during the referendum.

My question is directed to the Deputy Prime Minister or whoever might be so kind as to reply. Are we to understand that the Prime Minister wishes not only to stop Quebecers from deciding their future on another occasion they deem appropriate but also to control the information they will get from the CBC?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I believe that we need to stress that the Prime Minister may perhaps be completely right in this, but with respect to the comment from my colleague, he is also aware that CBC President Perrin Beatty has set up a committee to examine our Prime Minister's comments, which I feel are clearly justified, and the response will be forthcoming in due course.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since the hon. secretary of state does me the honour of a reply to my questions, I shall ask her another.

Since Perrin Beatty, in keeping with the operating provisions of the CBC, has set up a committee to assess the professional conduct of CBC and Radio–Canada journalists and the manner in which the news was presented, does she not think that the Prime Minister would have been wiser to wait before nailing the CBC?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women, Lib.): Mr. Speaker, as my colleague must be aware, the mission of the Canadian Broadcasting Corporation and Radio Canada International is, and I quote:"[—] to reflect major current events and contribute to the exercise of democracy"—something you and others need to learn about—"to the affirmation of the sovereignty of the country and to helping the various regions to come to know more about each other, and to more accurately reflect the national identity". This has not been denied by our Prime Minister, and this is our approach to every thing we do.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the hon. secretary of state is rather surprising. She tells us in the opposition that we ought to be learning what democracy is all about, while what is at issue here is the behaviour of the Prime Minister, who finds that the CBC was too impartial in the referendum. Amazing. Amazing.

Does the hon. secretary of state not consider it rather disquieting in a democracy, when a Prime Minister initially indicates his intention not to recognize the outcome of a democratic exercise, then tells us that he want to see no more democratic consultations in Quebec, and then decides that the CBC ought to stop being impartial when broadcasting information?

[*English*]

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, when it comes to talking about democracy, when it comes to talking about how language should be understood or one's accent, when it comes to discussing who has the right to vote and the weight of that vote, I do not think there are any exercises in democracy that need to be taken by this side of the House.

• (1420)

[*Translation*]

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

Last week, the Deputy Prime Minister clearly established a link between the funding received by Radio–Canada and its news coverage. She said it did not make sense for us to pay the cost of running the corporation when there was no commitment to Canadian unity.

Are we to understand that the government wants to tie Radio–Canada's budget to a partisan performance with respect to news coverage?

[*English*]

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, it might be very helpful if my hon. colleague would recognize we are in a significantly changing environment with respect to telecommunications, broadcasting, film distribution, marketing, et cetera.

The government spends in excess of $1 billion for Radio–Canada, CBC, Telefilm Canada and the National Film Board. Perhaps that money could be spent more succinctly, more successfully and in a more focused way. It is for that reason that a committee was set up by the minister responsible for Canadian heritage. We should know its response very shortly.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I would really like to know how the secretary of state can justify—since she used the word focus—the government's blackmailing Radio–Canada?

[*English*]

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, CBC Radio–Canada's role is to reflect our society, the people within our society. It has journalistic freedom, which is within its mandate.

I suggest the impartiality and the responsibility journalistically speaking will be determined in the report to be submitted by Mr. Perrin Beatty and that committee.

* * *

AIR CANADA

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the Airbus scandal provides yet another example of what happens when a government buries its head in the sand. The most outrageous aspect of this Airbus scandal is not Brian Mulroney's $50 million lawsuit, nor is it the righteous indignation coming from his Sherbrooke sidekick.

The most outrageous aspect of this entire thing is that it took articles in a Swiss newspaper and a German magazine to convince this government to take action. None of these are new allegations. The RCMP was investigating this matter back in 1989. Paul Palango was naming names in 1994 and the CBC was uncovering new and damaging evidence as recently as this March.

My question is for the Minister of Justice. Why did it take the work of a German newspaper to get this government to act on the Airbus scandal?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the RCMP has been active for months, as it has confirmed, in looking into these allegations. It has been doing its job. I hope the hon. member in her questions will express support for the work of the RCMP rather than this unjustified scepticism.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I support the RCMP, especially in its guarding of 24 Sussex, part of its job.

Not all governments have been asleep at the switch in this scandal. According to the federal government and in contrast to it the American embassy has been hard at work, having already accumulated a fat file on this subject which includes actual names, timelines and Swiss bank account numbers.

It seems to me the Minister of Justice could save Canadian taxpayers a great deal of time and money by simply walking across Wellington Street and asking the Americans for a photocopy of their file.

In order to help get to the bottom of this matter will the Minister of Justice make a formal request to have the American government share all relevant information and material it has gathered on the Airbus deal?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am sure the RCMP will do everything necessary to pursue its inquiries. I suggest the hon. member do more in constructing her questions than to base them on the Insider column of the Ottawa *Sun*.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, there is more at stake here than some sort of hilarity from the solicitor general. Things have been bad enough in that department already these past couple of weeks. If anyone is being facetious here it is he.

The Canadian people deserve better from the Liberal government. What we have here are all the makings of a Stevie Cameron sequel. In writing about this Prime Minister's approach to governing, she might entitle that sequel "I am not aware of anything".

• (1425)

The members opposite were aware of the Airbus scandal for five years when they were in opposition and have been aware of it for the two years they have been in government.

Will the government commit to making public, totally public at the earliest possible date, every relevant aspect of this smelly Airbus deal?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, as the hon. member has confirmed, the government has been, through the RCMP, properly looking into these allegations. This began after it took office.

With respect to making matters public, surely the hon. member does not want to prejudice the investigations and inquiries already under way. If she wants to have these inquiries and investigations properly carried out, she should not suggest that things be done which might prejudice the success of those inquiries.

* * *

[*Translation*]

DEFENCE INDUSTRY

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, first of all I want to thank the Minister of National Defence for his friendly comments in recent weeks.

By refusing to specify a certain percentage of Canadian content in the contract for search and rescue helicopters, the Minister of National Defence has paved the way for a procurement policy that from now on would eliminate any Canadian content requirements from purchase contracts for military equipment. In so doing, the government is directly jeopardizing the existence of the defence industry in Canada and Quebec.

What explanation does the minister have for the fact that barely two months ago, he awarded a $2 billion contract, without tender, to a company in Ontario and that now, in the case of the search and rescue helicopters, he will call for tenders without a Canadian content requirement, when the aerospace industry happens to be concentrated in the Montreal region? Another example of the double standard at work.

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member is unaware of what I stated in my press conference two weeks ago.

While the government will no longer make acquisitions solely on the basis of regional industrial benefits, those benefits will be one criteria considered as part of the specifications and process in the acquisition of these helicopters. The member should get his facts straight.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I was aware of this as well in the contract for armoured personnel carriers which was awarded to Toronto without tender.

At a time when the government still refuses to put in place a genuine defence conversion program for the industry, does the minister realize that by getting rid of Canadian content requirements, he is directly jeopardizing the existence of the defence industry and in this case the aerospace industry which is concentrated in Quebec?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, a couple of weeks ago I was asked the same question. The hon. member obviously does not have faith in the very innovative, excellent aerospace industries in Quebec right now which I am sure will compete well in this whole contractual process.

* * *

AGRICULTURE

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the minister of agriculture has stated he will not recognize the outcome of the wheat and barley plebiscite currently taking place in the province of Alberta.

Why is the minister ignoring the democratic rights of farmers to choose how they want to market their wheat and barley for export?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, what I have said is I do not regard this plebiscite in Alberta as the be all and end all on the issue of wheat and barley marketing. I say that for the obvious reason that grain marketing of this kind is under the jurisdiction of the federal government. It involves farmers in British Columbia, Alberta, Saskatchewan, Manitoba and in some cases in portions of a corner of Ontario.

The issue by definition cannot be resolved by one partial plebiscite in one province alone.

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the Prime Minister during the 1993 election campaign promised a producer plebiscite on marketing barley and promised he would honour that result.

Right after the election the minister of agriculture said he favours giving farmers a voice through plebiscites which are, to quote the minister "the most appropriate vehicle by which to determine what farmers' preferences are".

Why did the Prime Minister and the agriculture minister promise producers a democratic voice when it is clear they had no intention of honouring that promise?

• (1430)

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, obviously we have not ruled out the notion of a plebiscite in due course if that turns out to be an appropriate vehicle to resolve this issue. At the same time we have observed the difficulties that flow with plebiscites which can in fact make a difficult situation even more divisive rather than resolve a problem.

With reference to the remarks made in 1993, both the Prime Minister and I indicated that the jurisdiction of the Canadian Wheat Board should not be altered in the absence of some kind of voting mechanism among producers. That is a far cry from advocating a change in the Canadian Wheat Board.

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[*Translation*]

CANADIAN ARMED FORCES

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of National Defence.

While today, here in Ottawa, the families of the École polytechnique shooting victims are organizing a press conference promoting firearms control, the Minister of National Defence is still refusing to reconsider the promotions of soldiers who, on at least two occasions, appear to have celebrated this sad occurrence.

How can the Minister of National Defence justify his stubbornness in maintaining the promotions of soldiers who apparently took part in celebrations in honour of Marc Lépine?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, unlike the hon. member, I base action on the facts.

At this point in time no evidence has been unearthed that supports the contention that this dinner occurred. In fact documents which related to the investigation were turned over to the commission on Somalia and we have not found anything documenting the dinner. Investigations are going on. Obviously if such an event happened—and I have expressed in the House how abhorrent that would be if it did happen—the fact is that matter would not have been sanctioned and therefore there would be no record. To actually confirm that it took place will require some time because it will require interviews, depositions and investigations by the military police.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, is the Minister of National Defence aware that his obstinate defence of these soldiers against all attack discredits not only the entire Canadian Armed Forces but also the government itself?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, again the hon. member has raised a matter that has not been proven. Once we have actual proof that it took place, then we can act.

In the hypothetical, I have stated in both languages in this House that such an event, were it to have taken place, would have been totally offensive, abhorrent and contrary to Canadian forces regulations.

* * *

YOUNG OFFENDERS ACT

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, my question is for the Minister of Justice.

In my riding the police are investigating a report of sexual assault against an eight–year old girl by two boys under twelve. Because of their ages the Young Offenders Act does not cover these crimes, nor do Bills C–41 and C–37.

On this morning's news, probably because of National Child's Day a priest in Ottawa spoke of his concern about the younger and younger ages of Canada's young offenders.

What does the minister intend to do about it, to hold children and their parents responsible for their children's criminal actions?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, just this morning I had occasion to appear before the House committee on justice and legal affairs. I was the first witness in a comprehensive review of the Young Offenders Act the committee is now undertaking. We spoke exactly to this issue, the question of the age of the children to which the Young Offenders Act applies. I invited the committee to examine how we should deal with the cases of crimes by children younger than 12 to determine how best to ensure that the interests of those children in society are taken into account.

I am not certain that the answer is simply to extend the application of the Young Offenders Act because we are dealing with children of a very young age. I have asked the committee to look at the evidence, to hear from witnesses and to make recommendations on how best to deal with this, if only by ensuring that in the provinces, between us, the levels of government have appropriate ways to respond to these situations, look after these children, deal with the families that produce them and ensure public safety.

• (1435)

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, if we do not deal seriously with these young offenders, we are not helping these young offenders. It is a horrific crime. Canadians are sick about this happening in their communities. When we ignore the crimes of children, we ignore their victims. We ignore those children who are committing the crimes and we ignore helping them.

Is the minister in favour of changing the ages in the Young Offenders Act to make young offenders responsible for their criminal actions?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, two of the hon. member's colleagues are on the committee before which I appeared this morning. I have expressly asked the committee to consider the very question she has raised. I want the committee to hear the evidence, consider that evidence and make recommendations that the committee believes are in the public interest.

I must also point out in answer to the question asked that this government has already acted to strengthen the Young Offenders Act. With Bill C–37 which comes into force 10 days from now, the Young Offenders Act will be strengthened to deal more effectively with serious crimes of violence that most concern the public.

I remind the hon. member of those important changes. There are more to come.

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[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

On April 5, the Dima family, Romanian refugees, was expelled to the United States, where it had originally filed a proper application to immigrate. Despite assurances by his department that the file would be processed quickly, this family, which was integrated into Quebec society, is still awaiting the response of federal immigration officials, seven months later. It now faces possible deportation from the United States.

How does the minister explain the governmental red tape the Dima family has had to go through, while it waits in the United States and continues to live with the Christian Brothers in Plattsburgh?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I appreciate the question by the hon. member which involves one specific case. I am not aware of all the last minute details surrounding the case. The member should also know that with respect to making independent applications to the province of Quebec, the province of Quebec has sole jurisdiction.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would point out that two other Romanian families have had their case settled in a matter of days or weeks: the Malaroi and the Garda families.

The Government of Quebec issued a certificate of selection on June 14. Why is it taking the minister so long to assume his responsibilities, he who was in such a hurry to issue 15,000 new certificates of citizenship just before the referendum?

[*English*]

Some hon. members: Hear, hear.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I thank members for the applause. I would do it all over again the same way.

I am not sure what the immigration critic is actually advocating with respect to individuals who want to acquire citizenship to the Canadian family. Is he suggesting we should have dragged our heels in terms of processing? Is he suggesting that those individuals should not have had the right to vote? Exactly what is the hon. member advocating?

On the one hand the member is asking for an expedited processing for one family and I will look into the latest matters surrounding that family. On the other hand he is suggesting very softly somehow that he did not appreciate the fact that those 15,000 individuals voted in the last referendum.

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PRISONS

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, on the day of the great unity rally in Montreal, I had the tremendous pleasure of officially opening the Nova Institution for federally sentenced women in Truro, Nova Scotia on behalf of the solicitor general. This institution marks a new era of federal corrections in Canada.

• (1440)

Could the solicitor general tell the House how Nova Institution, housing incarcerated women, differs from the Kingston prison?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, a basic difference is that it is one of a series of prisons for women spread across the country rather than having federally sentenced women confined to one, single, outmoded facility in Kingston, Ontario.

By having this series of regional prisons women will be closer to their families. The women will also have greater access to appropriate programming. In short, we believe the result will be a better outcome in terms of women not reoffending, thereby providing greater protection to the public and a savings in money for the taxpayers who will not have to keep housing these people over and over again.

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FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the Minister of Fisheries and Oceans is practising for a new job: minister of taxation. His new access fees will dramatically increase licence costs, in some cases from $30 a year to $9,000 a year.

Does the minister not understand that his new access fees pose a far greater threat to fishermen than Spanish trawlers? The Spanish will go away, but these taxes will be here forever.

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would certainly hear the view of the hon. member on what he thinks the access fees should be because the Reform Party consistently tells the House that the government has to do more to responsibly control expenditures to get the deficit under control.

There are fishermen today—

Mr. Harris: Cut the spending.

Mr. Tobin: Hon. members want to hear and I know the Reform Party is truly interested in a responsible exchange.

There are fishermen today who pay $10 for a licence and make upwards of $1 million in income. Is the hon. member suggesting that that is reasonable? Others pay $30 for a licence fee, the case in point which the hon. member mentioned, and make incomes of $500,000, $600,000, $700,000 and $800,000.

We in this party believe that if a person's income is low, the access fee should be low, and if their income is high, they should pay fair rent on the privilege of the income.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, any fishermen who are making the profits which the minister is talking about are paying income tax.

Every year the minister plans to suck another $50 million out of Canadian fishermen by these access fees. This intolerable tax increase will lead to the extermination of family owned businesses. Not just the little fish, but the little fisherman is hanging on by his fingernails. Will the "taxinator" trash the tax?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, when it comes to hanging on to a shred of credibility, the hon. member has no fingernails.

When it comes to presenting a fair licensing regime to ensure that fishermen who are in difficult circumstances are not impacted, we brought that forward. We put in place a licence freeze for all of those affected by the groundfish crisis. We have already said to the fishermen in British Columbia who have been affected by the decline in salmon runs that there will be no dramatic increase in fees. We are saying to those who make very large incomes in a way which is progressive and fair that they ought to pay a little more for the privilege of those very large incomes.

If the hon. member is serious about speaking with authority for fishermen, he ought to do a little more homework on the wharf before he comes here to make a fool of himself in the House.

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[*Translation*]

COMMUNICATIONS SECURITY ESTABLISHMENT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is directed to the Acting Prime Minister.

Last week, a former employee of the Communications Security Establishment shed some light on the centre's dubious spying activities. According to Jane Shorten, the CSE targets the communications of our trading partners, including, Mexico and South Korea, and in so doing, spies on Canadian citizens.

Would the government confirm Ms. Shorten's allegations to the effect that the CSE eavesdrops on the communications of friendly countries and the telephone conversations of Canadian citizens?

• (1445)

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the hon. member knows, the government does not comment on allegations with respect to national security or intelligence.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, it is not the first time this has happened and the government has been questioned on the subject, but we always get the same answers.

How can we believe government statements on the subject when there is no mechanism for parliamentary oversight of CSE activities, as exists, to a minimal extent but at least it exists, in the case of the Canadian Security Intelligence Service?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, a motion put forward by the member for Scarborough—Rouge River to create a parliamentary oversight mechanism for the CSE was passed by the House.

We have been holding consultations on that with interested parties and we hope to move very quickly to implement the contents of the motion.

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FISHERIES

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, in addition to slapping the fishing industry with outrageous tax increases, the minister is planning to rake further millions into his department by taxing the users of Canada's ice free ports for ice–breaking services.

Will the minister today assure the people of Saint John and Halifax that he will not tax them for services they do not need?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the Department of Fisheries and Oceans that has the responsibility for coast guard is currently engaged in a broad consultative process to ensure that fees for service are imposed on a fair and reasonable basis.

For the member to stand to single out one or two harbours and to ask for a response today in advance of the end of the consultation is not only not useful but not a fair way to proceed.

The Canadian Coast Guard will go on doing an excellent job for Canadians who require the services and will do so in a manner in so far as fees are concerned that is a fair and reasonable, and the member knows that.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the minister is hardly being fair and reasonable with Atlantic Canadians. He says he wants Atlantic Canada to prosper yet he now proposes to tax away the critical commercial advantage of ice free ports.

Will the Minister of Fisheries and Oceans deep six any proposals to rob Atlantic Canadians of this important economic advantage and axe his tax?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there is a Newfoundland expression that means you have a lot of nerve: you have to have the face of a robber's horse for a Reform Party member to stand and pretend to give a whit about Atlantic Canada.

This is the party that would be overly happy if we could give everybody in Atlantic Canada what it would call a national deficit fare. It wants to give everybody a one-way ticket to somewhere else.

We are bringing in policies that generate productivity in Atlantic Canada, create new wealth, treat people fairly and are designed to ensure the population is maintained and grows. The Reform Party has no lesson to give those of us on this side of the House about the reality of Atlantic Canada.

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, my question is also for the Minister of Fisheries and Oceans. The Reform Party appears to be protecting fishers making a huge income from paying their fair share. I am interested as well in smaller inshore fishermen.

In instances where the fee is shown to be inequitable, would the minister be prepared to make changes?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, unlike members opposite who bellow from several thousand miles away, I happen to know that this member had a round table in his constituency on the future of the fishery. He took the trouble to actually listen to fishermen before coming to the House of Commons to ask questions.

I understand fishermen are saying that they are prepared to pay a fair share and pay their own way, providing the system is fair and equitable.

• (1450)

If changes can be made that make the system more fair and more equitable, and if that means rewriting portions of what we proposed based on genuine consultation with genuine fishermen who genuinely want to pay their own way, we will do it, of course.

* * *

[*Translation*]

SOCIAL ASSISTANCE

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

The Quebec government has announced that it will have to cut its social assistance program by $86 million, given the major impact that the federal government's February 1994 UI reform has had on welfare rolls.

Does the minister recognize that his first UI reform has forced many unemployed people onto welfare and that he is responsible for the significant rise in the cost of social assistance programs?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I remind the hon. member that we take very seriously the condition and state of people on social assistance.

That is one reason why in the province of Quebec we pay 50 per cent of the full cost of all social assistance recipients. If we look at the actual figures and not the made up figures, in the changeover from 1994–95 to this year there has been an increase of transfers from the federal level of $220 million to the province of Quebec under the EPF, CAP and equalization.

Therefore, when the minister from Quebec starts making the charges that somehow the federal government is responsible, I suggest the Quebec minister of social services go back and look at their own books.

We are trying to do our best to help those people. Delay and misinformation around the country do not help.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, is the minister trying to wash his hands of the whole thing? This Parliament has approved $2.4 billion in cuts to unemployment insurance for all of Canada this year, including $735 million in Quebec. Do you think this has no effect on the men, women and young people who end up on welfare?

Will the minister admit that the next UI reform, which he is getting ready to table in the coming weeks, will aggravate the Quebec government's financial problems by forcing even more unemployed people onto welfare?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it sounds to me like the beginning of a leadership speech.

Some hon. members: Oh, oh.

Mr. Axworthy (Winnipeg South Centre): Putting that aside for the moment, I point out to the hon. member again a number of very important facts. It is important to get the facts out in this case.

Under the changes we made to the Unemployment Insurance Act there is the special provision of an additional $1,000 for those on low income drawing unemployment insurance benefits. In fact 130,000 low income UI claimants were able to draw upon that additional $1,000.

Furthermore, last summer we signed a special agreement with the Government of Quebec to provide $80 million to the APPORT program to help those on social assistance get training, get education and go back to work.

One of the primary objectives in terms of the new employment insurance program mentioned by the Prime Minister two weeks ago is to make sure there is a strong guarantee of protection of income for those who are at the lowest income level.

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CANADIAN BROADCASTING CORPORATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, in Edmonton the CBC French station has an audience of 300 people. In Quebec City the English CBC station has 1,700 viewers and in Regina it has an entire station dedicated to 40 viewers. That works out to about $230,000 per viewer.

Given these outrageous spending figures, why is the CBC continuing to fund these stations? When will the government end this ridiculous waste of taxpayers' dollars?

• (1455)

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I remind my hon. colleague that Canadians of both official languages have responsibilities to each other, to know each other, to see each other and to hear from each other. Whether it is in French in Alberta or English in Montreal or wherever it may be, the country has facilities for bilingual services. When one is travelling one should be able to hear one's own language and one's own culture wherever one is.

As the hon. member knows, there are more than just French speaking people who listen to Radio–Canada. There are also anglophones who listen to it. I am a very good example.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the minister is an excellent example, I am sure.

The point being that there are already all kinds of services provided through cable and over satellite. We do not need dedicated stations in all these communities.

The CBC, Telefilm Canada and the NFB are undergoing a mandate review and will be reporting to the minister soon. The people who should be giving this mandate are the taxpayers of the country. They already understand that the level of funding in any public enterprise should be based on how many people in this case are viewing it.

Is the government prepared to cut spending for services that taxpayers do not support? If so, will it direct the CBC to make its cuts accordingly?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, the government and the minister in charge have made it eminently clear that the changing circumstances and the economic aspects of the CBC, the National Film Board and Telefilm are all to be taken into account as the mandate is reviewed. The CRTC is involved as well.

From that perspective, the hon. member might well wait for the results which should be announced shortly.

* * *

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development.

I was looking through *Hansard* and found that when the budget was debated in 1991 the then member for Winnipeg South Centre criticized the cuts by the provincial government in health care, social programs and post–secondary education. He said:

> As a result, the ability to have any kind of national system of education and health care now stands in jeopardy.

He also said that these cuts cut the very fundamental institutions on which people depend and that they were being dismantled.

Since the minister was so critical of measures considerably less harsh than those his government has taken, could he say why the cuts to education, health care and social programs, much deeper than the last government's, are so good when the last government's cuts were so bad?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have made it very clear from the last budget that one way to restore the country to a form of economic health is to make sure there is more integrity and stability in federal financing.

His home province has been able to achieve a balanced budget. We are still on track to do that but it will take some time because the previous government, of which I was quite critical, did not take the measures that were necessary when it should have to ensure a proper formulation of a fiscal plan that would allow us to have good economic investment.

The proof of that is very clear. Since the two years of coming into office we have created over 500,000 full time permanent jobs. The best way to deal with the problems of low income and of social insecurity is to get people a job. That is what our last budget was all about.

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NIGERIA

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Mr. Ken Saro–Wiwa and eight other civil rights activists in defence of the Ogoni people were summarily hung by the military Government of Nigeria after a surreptitious court proceeding.

Could the minister tell the House what actions are planned by the Canadian government to protest this heinous act?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I thank my colleague for the question.

Canada has spoken in the strongest language to condemn the actions of the Nigerian government in relation to the execution of Ken Saro–Wiwa.

Canada took actions beyond that at the Commonwealth heads of government meeting in Auckland, New Zealand last week. Our Prime Minister spoke out as well against this and with other heads of governments suspended Nigeria from participation in the Commonwealth for a period of two years. This will be reviewed when Nigeria shows it has improved its democracy, respect for human rights and governance.

• (1500)

Bilaterally Canada has taken actions as well. We have suspended visas to military figures in the Nigerian government. We have terminated our trade in arms with Nigeria for the past few years. We will continue to look at other possible sanctions including finance and trade.

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THE LATE MR. JUSTICE EMMETT HALL

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, it is with much sadness that we mourn the passing of a truly great Canadian, the hon. Justice Emmett Matthew Hall.

We extend our deepest condolences to his family.

[*Translation*]

It is with sadness that we mourn the passing of a great Canadian, Mr. Justice Emmett Matthew Hall, whose many achievements included being a founder of our health care system. He was also one of the keenest crusader for the system.

We extend our deepest condolences to his family.

[*English*]

Justice Hall led a long and distinguished legal career, becoming Chief Justice in Saskatchewan and later serving on the Supreme Court of Canada. He was noted for his forward thinking ideas and keen sense of equity which resulted in his being named a Companion of the Order of Canada and receiving other tributes including numerous honorary degrees, distinguished titles and select memberships.

Of his many achievements Justice Hall may best be known as a founder and lifelong crusader for our medicare system. In 1961, prior to the introduction of the first provincial plan for medical care insurance in Saskatchewan, the federal government established the Royal Commission on Health Services, chaired by Mr. Justice Hall. Its mandate was to inquire into and report on existing facilities and future needs for health services for Canadians and to assess the resources required to provide these services.

The commission report, published in 1964, recommended Canada should introduce the legislative organizational and financial frameworks necessary to ensure that health services would be available to all residents without barriers. The commission also called for universal and comprehensive coverage on uniform terms and conditions, in all provinces, regardless of age, condition or ability to pay.

These recommendations formed the basis of the federal medicare act proclaimed in 1968. This act, which established a conditional cost sharing program, empowered the federal health minister to make financial contributions to those provinces which operated medical care insurance plans that met certain minimum criteria: comprehensiveness, universality, portability and public administration.

• (1505)

By 1972 every province and territory had established medical care insurance plans in addition to their hospital insurance programs, and the two main features of Canada's universal health care system were in place from coast to coast.

Justice Hall summed up the need for a national publicly funded medicare system in these words: "The only thing more expensive than good health care is inadequate or no health care".

The guarding principle of health care in Canada is as meaningful now as it was when the system began. Justice Hall's support for this system never waned or wavered.

In 1979 when the federal government asked that the status of publicly financed health insurance programs in Canada be reviewed Justice Hall again accepted the call and chaired the review which also bears his name. After months of public hearings and hundreds of briefs from various consumer groups, individuals and health care organizations, Justice Hall released his report, Canada's national–provincial health program for the 1980s, "A Commitment For Renewal".

Once again reflecting a broad Canadian consensus, the report called for a renewed national commitment to the principles of medicare. Justice Hall could find no one, not any government or individual, not the medical profession nor any organization not in favour of medicare.

On extra billing by doctors, Justice Hall said it was inequitable because it not only denies access to the poor, it also taxes sick persons who, besides paying premiums, are already paying the major cost of the system through their taxes.

Canadians owe a great debt of gratitude to Justice Emmett Hall. In his report Justice Emmett Hall states: "Canadians understand the full meaning of the hospital insurance and medical care acts. They said through these two acts that we as a society are aware that the trauma of illness, the pain of surgery, the slow decline to death are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability".

The fundamental principle of medicare is equity. All Canadians are treated the same according to medical need regardless of their ability to pay. This recognizes and fosters the compassionate nature of our people. Our universal health care system is constitutive of our identity. Clearly it is part of who we are as a nation. It is the outward manifestation of fundamental shared values, the values of justice and caring. All Canadians pay homage to this great Canadian.

[*Translation*]

The people of Canada are greatly indebted to the late Justice Emmett Hall.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I would also like to pay tribute to Emmett Hall, who, among other things, chaired the Royal Commission on Health Services from 1961 to 1964. Mr. Hall was one of those who inspired the debate that had already started on an issue under consideration and discussion in most Canadian provinces: the establishment of a health system accessible to all, regardless of socio–economic circumstances.

This principle, oft mentioned and presented as a basic aspect of any society that wants to be fair and equitable, was also part and parcel of the discussions that were taking place at the provincial level at the time. Based on respect for human dignity, the principle of accessibility met with the agreement of all primary stakeholders and players in the health sector.

I am therefore pleased and honoured to pay tribute to a man like Emmett Hall, who contributed to these discussions vital to the dignity of all Canadians. We must however be careful not to forget the efforts made by Mr. Hall and by the other men and women who participated in these broad discussions, which revolutionized the concept of health care and the way that services were provided, nor the message they left us.

No one, let alone the federal government, has the right to jeopardize such a system. The government certainly seems to be bent on making decisions that will have a disastrous impact on the quality of health care and services.

• (1510)

It is therefore essential that serious thought be given to the decision this government is about to make, to fully assess its real impact.

As you do so, think about the women and men who, like Mr. Hall, were in favour of the establishment of a health system accessible to all, regardless of their socio–economic circumstances.

I am joined by my colleagues of the Bloc Quebecois in extending my deepest condolences to the family of Emmett Hall.

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, today I rise on behalf of the Reform Party to recognize a Canadian who was not afraid to leave his mark on the pages of our history. Emmett Hall was a man who led, a leader who asked not why, but why not. Today I join with colleagues from all parties to pay respect to his memory.

Emmett Hall had an outstanding record of personal achievement. After a successful and long career in law, at age 57 he rose to new and increasing challenges as Chief Justice of Saskatchewan, Supreme Court judge, royal commissioner and finally elder statesmen.

It was his Supreme Court judgment in 1975 that set the stage for negotiations on Indian land claims. The Ontario education system was profoundly changed with the Hall–Dennis report of 1968.

Even in retirement in 1977 he led the commission that addressed the challenging need to balance affordable rail transportation with small town survival in central Canada. Even at the age of 90 he was mediating a logging and land claims dispute between the B.C. government and two Indian bands.

Historians, however, will recognize his greatest contribution as the chairman of a royal commission whose report led to the introduction of our national medicare system through the Hall report of 1964.

Medicare to this day continues to be a federal cost shared program. It is and should be the best health care safety net in the world. It was made in Canada for Canadians, first on a provincial level and then federally through the Medical Care Act, and it is now mandated to bring comprehensive coverage for health service, publicly funded, portable across Canada and universally accessible to all Canadians regardless of ability to pay.

I would be remiss today to neglect to mention that the confidence of Canadians in medicare is severely eroding. Cutbacks have forced health care professionals, governments and the public to take time to address, analyse and protect this aspect of our life and country.

Emmett Hall was never afraid to challenge the status quo. Today we recognize a man who bravely put forward ideas to propose change, not for change itself but to bring about a better solution.

All that Canadians value in medicare is recognized today in his memory. His vision of health care reform was that it result in the highest quality health care for all Canadians. That challenge continues and needs new Canadian solutions once more in these times of increased pressures on public finances.

Our condolences go out to his family. We salute with others today a great prairie pioneer and statesman.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, it is indeed an honour for me to rise today on behalf of my colleagues in the New Democratic Party caucus to pay tribute to one of Canada's and Saskatchewan's greatest sons, Mr. Justice Emmett Hall.

It perhaps seems trivial at a time like this to simply talk about a great man's achievements and to reiterate the many honours achieved in his lifetime. As the Very Reverend Len Morand said in delivering the homily at Mr. Justice Hall's funeral service in Saskatoon, if we were to simply list the man's honours he would have more medals than a Russian general.

As important as these honours may be, there is something more important and more enduring for each of us to take from Justice Hall's life. He was a visionary and a pioneer. In his professional and personal life he created many landmarks which now serve to mark our course as a great country, as a caring and compassionate country; guide posts and landmarks which still guide us today.

He is perhaps best known for his historic and heroic Royal Commission on Health Services which paved the way for the rest of Canadians to enjoy the universal health care service that was born in Saskatchewan.

Even then, in 1964, Justice Hall was looking far into the future, talking about the second stage of medicare, about enhanced services to seniors, dental care, pharmacare and much of what we in Saskatchewan now call the wellness model.

• (1515)

He foresaw a Canada with an ongoing, permanent commitment to a universal and improving health care system. He served as an inspiration to those who continued to battle for just that.

It would be unfair to ignore some of Justice Hall's other great accomplishments. His sense of justice and his belief in our sense of community guided him to make a number of other remarkable changes to this nation and to our culture.

He was an early advocate of the equality of women. He set that concept into law with his precedent setting 1961 decision which ruled that a homemaker's contribution to the household was no less than that of the income earner. It was groundbreaking in 1961 and still is guiding us today.

A religious and spiritual person, Mr. Justice Hall also believed it was important to keep promises. His courageous Nisga'a land claim decision of the 1970s helped the nation keep its promise. It was courageous in the 1970s and still is guiding us today.

There were, of course, many political leaders in attendance at Justice Hall's funeral service in Saskatoon last week. The Premier of Saskatchewan was there. The Minister of Health and the Minister of Agriculture and Agri–Food were there. I hope that each of them used the occasion to commit himself or herself to the vision of a caring nation of supportive communities of which Mr. Justice Hall so ably spoke and for which he so determinedly fought.

More important than the dignitaries who were in attendance is the fact that hundreds of ordinary people joined in to pay tribute to a man whose many deeds have touched the lives of every Canadian.

One of the scriptural readings at the service was the letter from Timothy, in which he talks of fighting the good fight. Justice Emmett Hall committed his life to fighting that good fight and it is up to each of us to continue it.

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 eight petitions.

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CANADA POST CORPORATION

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, in response to a question asked on November 10, 1995, by the hon. member for Fraser Valley West, the minister responsible for the Canada Post Corporation read an excerpt from a letter sent by a Canada Post official. I am pleased to table a copy of this letter in the House today, for the benefit of all members.

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, pursuant to Standing Order 108(3)(d), I have the honour to present the seventeenth report of the Standing Committee on Public Accounts.

Pursuant to Standing Order 108(3)(*d*), the committee reviewed chapter five of the May 1995 auditor general's report, concerning the Office of the Superintendent of Financial Institutions, deposit–taking institutions sector.

The importance of the financial services industry in the Canadian economy, as well as the concerns expressed by the auditor general, prompted the committee to take a look at the operations of the Office of the Superintendent of Financial Institutions.

Consequently, the committee held a meeting on this issue on October 3, with officials from the Office of the Superintendent of Financial Institutions and from the Office of the Auditor General of Canada.

Pursuant to Standing Order 109, the committee asks the government to table a comprehensive response to this report.

CITIZENSHIP AND IMMIGRATION

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Citizenship and Immigration, entitled "Economic Impact of Recent Immigration".

* * *

[*English*]

PETITIONS

INCOME TAXES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has circulated all across Canada. This petition was signed by a number of Canadians from Medicine Hat, Alberta.

• (1520)

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

OFFICIAL OPPOSITION

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present this petition from the riding of Prince George—Bulkley Valley and specifically the town of Prince George.

It reads as follows: "Whereas members of the Parliament of Canada are duty bound to represent the interests of Canadians for the good of all Canada; and whereas members of Parliament swear allegiance to the Queen in Canada; and whereas members of Parliament have a moral and legal obligation to fulfil their duties in the best interest of all of Canada; therefore we the petitioners humbly pray that the leader of the official opposition of the 35th Parliament of Canada and the caucus members of the official opposition party having breached their allegiance and moral obligations as members of Parliament of Canada be permanently ejected from the Parliament of Canada".

I support this petition.

The Speaker: Colleagues, as you know it is not in form to either support or not support a particular petition. I would ask you respectfully to please refrain from so doing.

BOVINE SOMATOTROPIN

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I have yet another petition coming from dairy farmers and the users of dairy products in my riding, expressing their opposition to the use of the hormone BST in Canadian dairy cattle.

This is about the fourth petition I have presented from my constituents. It is a pleasure to present this.

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QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 238 will be answered today.

[*Text*]

Question No. 238—**Mr. White (Fraser Valley West):**

Concerning Canada Mortgage and Housing Corporation, what automobile leases were made by CMHC during fiscal years 1992, 1993 and 1994, itemizing (*a*) year, make and model of the leased vehicle, (*b*) monthly payment and term, (*c*) name of the employee who is driving the leased vehicle and (*d*) the number of kilometres each car has been driven?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Canada Mortgage and Housing Corporation made the following leases for vehicles for the years 1992, 1993 and 1994: a) to d)

1992—No lease was made for that period.

1993—1993 Ford—Crown Victoria
Monthly payment: $571.53
Term: 24/06/93 to 23/05/96
Driven by: Gilles E. Girard,
Senior Vice–President, Insurance Land and Asset Administration
61,890 kilometres as of 30 September 1995

1994 Chrysler New Yorker
Monthly payment: $548.01
Term: 03/12/93 to 03/12/96
Driven by: Claude Poirier–Defoy
Vice–President, Programs, General Counsel and Corporate Secretary
32,899 kilometres as of 30 September 1995

1994—1993 Acura—Vigor GS
Monthly payment: $713.05
Term: 01/03/94 to 01/03/97
Driven by: Robert Lajoie
Senior Vice–President, Policy Research and Communications
59,902 kilometres as of 30 September 1995

1994 Dodge—Grand Caravan
Monthly payment: $555.95
Term: 01/04/94 to 01/04/97
Driven by: Peter C. Connolly
Senior Vice–President, Corporate Resources
29,306 kilometres as of 30 September 1995

1994 Volvo—GTA Sedan
Monthly payment: $698.05
Term: 06/05/94 to 31/05/97
Driven by: Douglas A. Stewart
Vice–President, Policy and Research
24,978 kilometres as of 30 September 1995

1994 Ford—Explorer XLT
Monthly payment: $686.55
Term: 18/11/94 to 18/11/97
Driven by: Jim T. Lynch
Vice–President, Insurance Operations and Land Management
20,210 kilometres as of 30 September 1995

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[*English*]

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. 225 could be made an Order for Return, this return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Text*]

Question No. 225—**Ms. Beaumier:**

For which of its initiatives in China has Northern Telecom received monies from the E.D.C. or the Canada Account during the period beginning in 1989 until the present, how much was provided in each instance, in instances where monies were provided from the Canada Account, why wasn't financial assistance provided by the E.D.C., how did Northern Telecom satisfy the "national interest" criteria in cases where Canada Account funds were used?

Return tabled.

[*English*]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee; and of the amendment.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise to speak on second reading of Bill C–96, a bill that deals primarily with administrative reorganization.

Canadians have made it clear that they want government and government services to operate in a more efficient and cost effective manner. The service delivery network initiative is an ambitious effort to respond to this message.

I will focus on the service delivery network because this is a key part of the government's overall plan to renew and revitalize federal programs and services. The service delivery network should be viewed in the same context as Bill C–96, the Department of Human Resources Development Act.

Does Bill C–96 contemplate new programs? No. Does it create new authorities? No. Does it alter jurisdictional arrangements? By no means. Bill C–96 is not a policy initiative aimed at new authorities or new programs. Rather it is a means to improve the delivery of programs and services while saving taxpayers' dollars.

It introduces creative and innovative delivery mechanisms. The service delivery network is a vital part of this policy initiative. It looks to the future instead of to the past. It puts people first by providing comprehensive service at the local and community level. The evolution of this service delivery network would not have been possible without a strong commitment to meet the needs of Canadians without jeopardizing the economic and social future.

• (1525)

We firmly believe that it is possible to enhance the quality of services to the public while delivering those services in a more cost effective manner. Indeed, this approach has been tested within the Department of Human Resources Development.

Through innovation and creativity, the Department of Human Resources Development has been able to create a network of some 700 outlets across the country. When the network is fully operational, it will ensure access to human resource development service for a full 97 per cent of working Canadians.

In concrete terms, I want to stress that these improvements will mean applications for old age security will take only a half a day instead of eight days to process. The processing of Canadian pension plan applications will take one day instead of 15 days. Canadians from all walks of life will find it easier to access services and information and some services will be available 24 hours a day.

As well, the network will deliver a broader array of programs and services. Employment counselling and other employment services, unemployment insurance, federal labour programs, income security programs such as the Canada pension plan and old age security, will be provided at the more than 300 human resource centres across the country.

In addition, up to 400 self–serve electronic kiosks will be located in strategic sites, such as Outreach offices, libraries and municipal offices. In my constituency I am now working with HRD to ensure that we have three to five kiosks in our general area. They will provide access to job information, UI programs, CPP and OAS.

Personnel assistants will be available at all but a few sites, meaning that for seniors personalized service will be available at four times as many points of service as is presently the case. There will be someone there to offer assistance to the seniors ready to use the kiosks.

That is not all. Self–serve access through mail, computers, telephones and the Internet will continue to be expanded. As well, a new electronic labour exchange system is being tested. The system will connect job seekers to employers by computer.

A system to allow unemployment insurance claimants to complete their report cards by telephone is operating on a pilot basis in Calgary and Sherbrooke.

The genius of the self–service delivery network is its capacity to adapt to local realities. Through agreements with organizations such as the YMCA or YWCA and other service groups, the network permits community based delivery of services. This grassroots approach makes tremendous sense in a country as vast as Canada, where local circumstances can vary considerably.

By tailoring programs and services to individual communities, in co–operation with Canadians, the department demonstrates wisdom and foresight. Partnership arrangements, such as co–location of offices and merging of services are being entered into with other federal agencies, provincial and municipal governments, and social service organizations outside government.

All this demonstrates the sensitivity and breadth of vision the government has brought to bear in designing this network. A great deal of thought and preparation went into its creation. The idea for this initiative did not happen overnight. It grew out of our red book commitments to improve services and opportunities for Canadians.

It began to take greater shape during the extensive social security reform consultations held with important stakeholders, business people, labour and community groups. Over and over, as we tour the country, Canadians delivered a clear and compelling message: get Canadians back to work, put more power into the hands of individuals to help themselves, remove unnecessary obstacles to Canada's social and economic prosperity.

• (1530)

The service delivery network responds directly to the demands we heard. It achieves the twin goals of improved service and reduced cost. Clearly this is the kind of government renewal Canadians have demanded: better, more personal, more efficient, responsive, flexible, innovative and creative services, aimed at the individual needs of clients where they live, and it saves taxpayers' dollars.

If there is any formula for its success it lies with the network's overriding focus on the people it serves. The network zeros in on local needs and priorities. It maintains personalized services for those who need help while increasing the number of access points. It also makes use of proven application of new technologies.

Does it attempt to create new authorities or change the power of the federal government to initiate or administer programs of any sort? No. It is simply innovative, a more creative and responsible approach to delivering services to Canadians.

Does it attempt to change existing jurisdictional provisions, as some members opposite would have us believe? Not at all. Existing agreements remain in place. Arrangements, partnerships, joint programs and so forth will continue to be negotiated as always. Our partners will be better able to achieve their own goals and objectives as a result of the service delivery network.

This new service delivery network strengthens the community of shared interest across the country. Canadians have placed their trust in us to make the best possible use of our resources, both economic and human, and I call on all members of the House to understand this new delivery service.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, once again, I welcome the opportunity to rise in the House to defend the interests of those I represent. Today we are discussing Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts. At first glance there is nothing to be worried about.

According to the minister, the bill merely brings together elements of various departments under the single name: Department of Human Resources Development. The stated purpose of this reorganization, to improve management of various services, is entirely praiseworthy, but unfortunately, we must point out that such bills are being used by the federal government to continue its attempts to encroach on the jurisdictions of Quebec

and the other provinces. Unfortunately, these attempts are often successful.

Less than a week ago, I rose to condemn another bill, C–95, which also turned out to be a direct attack on the prerogatives of the Government of Quebec. I strongly condemned this approach, and I must say that the situation today calls for much the same treatment.

When we analyse Bill C–96, we see it is typical of a government that is discreetly trying to extend its powers, a government for whom provincial prerogatives are far from sacrosanct. In this respect, my colleague the hon. member for Mercier pointed out that, coming hard on the heels of a vote in which Quebecers gave Canada a brief respite to shape up, Bill C–96 is an insult. How right she was. With this bill, the government is trying to legislate powers it never had under the constitution.

For instance, in clause 6 we read that the powers of the minister are to be exercised with the objective "of enhancing employment, encouraging equality and promoting social security". Never mind the minister: encouraging equality and promoting social security were not part of the original legislation. Similarly, what about clauses 7 and 13, the former providing that the minister may "co–operate with provincial authorities with a view to the co–ordination of efforts made or proposed for preserving and improving human resources development"? Now that is a good example of the government's attitude to co–operation with the provinces.

• (1535)

When we see what it does with the suggestions and the consensus there, it is easy enough to believe. Clause 20 provides that the minister may, as part of his duties: "—enter into agreements with a province or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate". This is what the government is calling decentralization, this circumventing of provincial jurisdiction and going directly to persons or bodies. This is what they call decentralization.

Once again, despite what the Minister of Human Resources Development says, this clause enables him to enter into agreements with, as I have just indicated, a number of bodies and institutions and even with individuals. With this clause, the minister is giving himself the power to go over the heads of the provinces—this cannot be said often enough—and enter into agreements with whomever he deems appropriate.

Do I need to point out that this does not appear in the original legislation? No clause in this bill provides that the government should respect provincial jurisdiction. Bill C–95, which a number of my colleagues and I strongly criticized recently, to its credit, at least attempts to respect the provincial governments by precluding the possibility of its exercising "any jurisdiction or control over any health authority operating under the laws of any province".

When we see the extent of the federal government's encroachment, even when it says it wants to respect areas of jurisdiction, we can easily imagine the situation when it does not express its desire to do so.

This bill definitely confirms the federal government's involvement in social and job programs. This fact is all the more obvious in the area of manpower training.

The minister talks of a whole other sort of decentralization. He intimates that his aim is to give communities and individuals more manoeuvring room. It is clear, however, that Bill C–96 is a way to get around what the provinces and Quebec want in order to deal directly with the groups and individuals the minister considers appropriate, who will, of course, be subject to whatever standards he may wish to impose.

The minister also talks of a single window. In this regard, the Quebec minister of employment, Louise Harel, said recently that Bill C–96 was the antithesis of the single window Quebec would like to establish by making the Société québécoise de développement de la main–d'oeuvre the primary intervenor in training matters. The SQDM is the embodiment of Quebec's consensus on the need for the Government of Quebec to be given full powers in manpower matters.

Despite this, according to the federal documents *Le Devoir* cites in its November 10 issue, the federal government is apparently preparing to end its co–operation with the Société québécoise de développement de la main–d'oeuvre in order to deal directly with community organizations and private institutions that it will finance and that will be subject to its eligibility criteria.

At a time when only the present Prime Minister and Pierre Trudeau still believe that further centralization is the solution to the multiple problems of federalism, it is not surprising that Bill C–96, although long ready, was not debated before the referendum.

This government has a very disappointing record with employment and social services; more than two years have passed and there is as much unemployment and even more people on welfare, and the coming unemployment insurance reform, also long ready and also kept hidden to keep Quebecers from knowing the true intentions of the government, will only make its record even worse.

Recently, in response to questions from the Leader of the Opposition on Bill C–96, the Minister of Human Resources Development replied that "obviously the Leader of the Opposition has not taken the time to read the bill". To counter this pretentious statement, I would like to refer to a number of Quebec reactions to the federal announcement of its intent.

The Société québécoise de développement de la main-d'oeuvre under Claude Béland and Ghislain Dufour has unanimously adopted a resolution calling for the federal government to transfer all of its manpower training budgets to Quebec.

• (1540)

The Quebec Minister of Employment, Louise Harel, described Bill C-96 as "the blunt rejection of the unanimous consensus in Quebec—".

We might add the reactions of the Canada Labour Congress and the Canadian Institute of Adult Education, both denouncing Bill C-96, one calling it "an attempt to bypass the provinces" and the other "a flagrant lack of respect for the aspirations of the provinces, Quebec in particular, in matters of education, training and manpower development".

For his part, the secretary general of the FTQ, the largest labour federation in Quebec, deplored the federal government's thumbing its nose at areas of provincial jurisdiction, and the Quebec consensus, in order to put into place a structure parallel to what is already there. He added "Even the Conseil du patronat sides with the unions on this. And even Robert Bourassa's Liberal government opposed a similar attempt by Ottawa in 1991. Anyone who still harbours any illusions about Canadian federalism ought to think twice before voting in the referendum".

These comments were made three weeks prior to the referendum, but they hold as true today as they did then.

For all these reasons, it is obvious that we in the Bloc Quebecois share the opinion of the majority of Quebecers and would be unable to vote in favour of such a bill.

[*English*]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, it is a pleasure to speak on Bill C-96.

A year ago our human resources development standing committee conducted public hearings in Ottawa and all across Canada. As a member of this committee I attended hearings in 25 cities in 35 days in 10 provinces, 2 territories and the East Arctic. In my own riding constituents shared their ideas and concerns with me at four town hall meetings held in Napanee, Sydenham, Bancroft and Tweed.

The bill addresses the concerns we heard from many Canadians. Recently in my riding I had the opportunity to attend the opening of an HRDC job kiosk in Northbrook, Ontario. Mr. Adrian van Asseldonk, our local HRDC manager, and his staff have provided residents from the Northbrook area, the northern part of our Lennox and Addington county, access to job market information. They no longer have to make the long trip to Napanee, Belleville or Kingston.

As we look at the legislation before us we could talk for hours on end about what this mandate clause means or that qualification entails or about what wordings should be changed; indeed we have to do this. It is our responsibility to get the legislation right but we also have to take our eyes away from the fine print, look at the thing as a whole and ask what it really means.

We can find out what it means outside these four walls in the communities because in the end this is about people; people who have hopes and dreams for the future, people who are willing to work hard for those dreams, people who are often struggling to hang on to a job or fund a new one, old people who are struggling to get by on a fixed income, young people stepping out of the school room into a world few of us could have imagined just a few short years ago. Those are the people who know about the real work this department is doing day in and day out across the country.

HRDC touches the lives of millions of Canadians every year perhaps more directly than any other government department. From survivor benefits to student loans, unemployment insurance, employment programs and services, old age security, HRDC has an impact on Canadians at each stage of their lives.

The HRDC described in the bill is working with Canadians in a new way. The government recognizes that Canada and Canadians are in the midst of a sea of change economically and socially. Our labour market and social programs have to change as well. For women, for aboriginal peoples, for people with disabilities and visible minorities this means a new Employment Equity Act, a stronger, more effective act which was tabled last year. In times of economic upheaval our commitment is to equity for all Canadians and it must be stronger than ever before.

• (1545)

For people looking for a chance to learn and expand their opportunities, it means a new Canada student loans program, the first major overhaul of the program in years and one that puts a good education into the reach of more Canadians than ever before.

For the first time there are specific grants to help women go to graduate schools in areas once dominated by men. For the first time students with disabilities can get support for the special facilities they need. For the first time single mothers can go back to school and get the financial help they need to pay for child care. At a time when knowledge and education are so critical, the new program is vital to many Canadians.

For older workers displaced by technology or by the decline of an industry, the bill means marshalling our resources to give them a hand, through strong partnerships with other governments like we have in Quebec through the program for older worker adjustment.

It means bold new approaches like the Atlantic groundfish strategy, helping displaced fishers and plant workers across Newfoundland and Labrador.

For young people who are unemployed and out of school it means youth services Canada. At last count, there were 200 projects across the country where they are learning new skills through community service.

There are projects like the one in Red Deer, Alberta where young people are working with the RCMP to deal with drug programs. Projects like the one in Clayoquot Sound where 20 young aboriginal men and women are working to develop a promising new eco–tourism program. Projects like the one in New Brunswick where young people are cleaning up and reclaiming polluted streams and rivers.

For young Canadians still in school the new approach means youth internships where private sector firms are giving kids in grade 10 or 11 hands on work experience tied in with the school curriculum. This year alone there are 25,000 young interns across Canada thanks to the strong partnerships we are building with the private sector. Business and government are working together to give young people a shot at a great future.

Bill C–96 means the Canadian Tourism Human Resource Council addresses the training needs of 1.2 million workers across this country. For women, this bill means Women in Trades and Technology, a national group helping women get into more trade, technological and blue collar jobs, with a national support network, courses and training programs designed specifically for women.

For some 30,000 unemployed Canadians it means getting a helping hand as they create their own jobs and become self–employed and, in the process, creating an additional 30,000 jobs for other Canadians.

For all Canadians this bill means the federal government working with the provinces to test new approaches in employment and training, learning and education and income support and services.

For example, in P.E.I. the Choice and Opportunity Project is designing and testing a delivery model to improve integrated services for persons with intellectual disabilities, eliminating barriers within generic programs and services and moving from segregated to inclusive community systems. The project is conducted in partnership with the Canadian Association for Community Living and the P.E.I. Association for Community Living.

In Newfoundland, the project "Transitions—The Changes Within" is helping over 5,000 people by testing a tuition voucher system that helps students remain in full time studies, helping post–secondary graduates gain work experience and becoming self–employed, helping unemployed workers find full time work.

In British Columbia an initiative is under way to improve the quality and access to child care for working and studying families through community one stop access centres, testing delivery models for the delivery of child care and finding ways to help children with special day care needs.

In New Brunswick the job corps project provides an annualized income to participants, people over 50 who were unemployed or on social assistance, in return for 26 weeks of volunteer work.

In every province we are making a real difference in the lives of Canadians from all walks of life. We are making a difference because we have transformed HRDC and our approach to delivering the programs that Canadians need.

This transformation will continue. In August the Minister of Human Resources Development announced the establishment of a new modern service delivery network that will reach more Canadians than ever before, the most sophisticated, efficient delivery network in the government.

We are developing new, more flexible programs and services through the human resources investment fund, programs that will be locally based, locally driven and focused squarely on results.

• (1550)

That is what the bill really means: a new direction for the department; a new focus for jobs and opportunity; a new approach to helping Canadians catch hold of their dreams for the future.

The human resources development department is doing good things for Canada. Bill C–96 will let us do more and better things. Let us not put up roadblocks. Let us get on with the job of serving Canadians.

I have a comment for an hon. member opposite. When I, along with other colleagues of the House, put in 12, 15 and 16–hour days across the country, in all corners, from sea to sea to sea, most members of the committee stayed in the room and listened to the witnesses. They listened to Canadians. Some hon. members stayed for one hour a day. There were stories of them going out on to the streets and signing up members for their party. I am ashamed of the conduct of some members of the House.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I am pleased to have the opportunity to rise on behalf of the people of Okanagan—Similkameen—Merritt to oppose Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts.

As we all know, this piece of so–called legislative genius proposes to transfer legal powers from one department to a new department. A new department. Another department.

Once again the Liberals are not listening to Canadians. Canadians have repeatedly demanded, in fact they have begged the Liberals to reduce the size of the federal government. All over the world, western democracies are reducing the size of bureaucratic monsters. Canadian provinces are doing everything they can to reduce the size of their operations. Other governments are trying to eliminate the waste of taxpayers' dollars, to eliminate duplication of tasks, to eliminate overlap in duties and to eliminate inefficiency and ineffectiveness. Not the Liberal Party of Canada.

The federal government, under the command of a man who brought our country to the brink of destruction, is creating more bureaucracy and red tape.

The Liberals are quick to say that this legislation only serves to reinforce existing federal powers for social programs. In the current post–referendum phase in which we are living Canadians do not want to reinforce any areas of federal government intervention. In fact, Canadians are demanding alternatives to the status quo.

The Liberals insist the legislation does not create any new powers for the federal government. How can we believe this, given the Liberal government's intention to increase government and to reinforce its firm grip of power over social programs for Canadians?

The Liberals are silent with respect to the increase or decrease of staff in the human resources development sector. There is nothing more scary than a silent Liberal, unless it is the Liberal defence minister saying that he needs a pen. In fact, this legislation contains a royal recommendation which authorizes expenditures that are undisclosed. Undisclosed?

This bill is a masterpiece of Liberal silence. Ask any Liberal member and he or she will tell you with a straight face that any expenditure under the bill is expected to be minimal, so Canadians have nothing to worry about.

The defence minister's new quill–tipped, gold lettering engraved pens, encased in some kind of black velvet, were a minimal expense.

The Liberal government's $100 million gun registry is a minimal expense. Most non–Liberal Party sources agree that $100 million is the minimal amount that the punishment of law–abiding, responsible firearms owners and users is going to cost. On the subject of how much the gun registry is going to cost, most authorities, that is those who do not belong to the Liberal Party of Canada, believe it will cost Canadian taxpayers much more than $100 million.

• (1555)

Since this past August I have uncovered over $100 million worth of wasteful and questionable spending by the Minister of National Defence and his senior officials. One hundred million dollars means nothing at all to this Liberal government. It has only to be careful to make sure that the defence minister does not spend $100 million on gold–plated pens.

The Reform Party of Canada is looking forward to building a new Canada of the 21st century. The Reform Party has a program which would allow the federal government to withdraw from fields it currently occupies jointly with the provinces.

The provincial premiers are in favour of negotiating the transfer of power from the federal government to the provincial governments. The Reform Party's voice has no attachment to the status quo. The Reform Party is not interested in dragging our country back into a constitutional quagmire. Our 20–point plan can modernize and decentralize the country, something for which Canadians are clearly asking.

Bill C–96 is an embarrassment to the Liberal government. The Liberals should withdraw this phoney bill. The Prime Minister has nearly smashed our nation to smithereens as a result of his complete misunderstanding of the will of the people of Quebec and all other provinces. The Prime Minister misjudged the referendum within Quebec. He misjudged the referendum as a national issue. Canadians had to take it on themselves to travel to Quebec to express their wish for that province to remain in our family.

Canadians were hoping the Prime Minister would lead the way in assuring Quebecers that all Canadians wanted Quebec to vote no. Canadians as usual since October 1993 were sorely disappointed by the Prime Minister. We have been let down. The Prime Minister and the Liberals have lost the confidence of our nation. Yet the Liberals are busy creating another federal government department. This is pure balderdash.

The Minister of Human Resources Development and the Minister of Western Economic Diversification has been fudging his handling of Canadian social programs since the Liberals took office. The infamous red book made lofty promises of social policy reform. This minister has yet to be able to get anything meaningful past the Liberal cabinet.

The bill is a desperate attempt by this minister to do something about our nation's social policy. Canadians want social policy reform. This bill creates bureaucracy. It does not reduce government or reform social policy. This bill takes the existing situation and shuffles it all around.

The Reform Party is offering Canadians the opportunity to decentralize powers to the provinces and truly reform our public tax supported institutions. We propose to get our money's worth from what we have to work with. Unlike the Liberals, we want to bring power closer to the grassroots of Canada. We do not propose to continue allowing bureaucrats in Ottawa to answer

their phones and just say no to whatever the people of British Columbia, Ontario, Quebec, Nova Scotia and all other provinces are asking.

Western Canadians have as many problems with the status quo as our Quebec counterparts. Virtually all Canadians want change and the Liberals do not realize it. Our forefathers managed to change our nation each time we were faced with difficulties in how we would govern ourselves.

In terms of social services, including medical services, we propose to change the role of the federal government to that of fostering co–operative interprovincial agreements rather than imposing unilateral standards and withholding transfer payments as a punishment for non–conformity. By proceeding with the bill the Liberal Party is acting completely against the will of Canadians. The government should be ashamed.

• (1600)

I must sound the alarm for Canadians watching that the bill does away with an annual report for the new department. As hard as it is to believe, even though we are $550 billion in debt the Liberals are creating a department of the federal government that does not even have to report its administration costs.

The Liberal Party and its leader have been terribly smitten because they have been trying to appease Quebec without consideration for the wants and desires of other provinces.

The Reform Party is rising like a phoenix out of the west. After the next election the Reform Party will have at least an additional 100 seats. These seats will come from lost Liberal seats in rural Ontario and eastern Canada. The grassroots movement of our party is a wave that is sweeping across the nation. After the next election Canadians will see a new form of federalism come to the country with the Reform Party of Canada as a new government.

On behalf of my constituents and all Canadians I say no to Bill C–96.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I am pleased to participate in the debate on Bill C–96, the Department of Human Resources Development Act.

I am also pleased to respond to some of the suggestions of the member for Okanagan—Similkameen—Merritt. He said that his party seeks to eliminate overlap and inefficiencies and is a rising phoenix. The phoenix is dragging its tail. It is trying to make its point on cheap shots about the Prime Minister and about the minister of human resources.

Mr. Stinson: There is nothing cheap there.

Ms. Cohen: A phoenix is a bird that cheeps and this phoenix is certainly about the cheapest around.

Canadians are demanding alternatives to the status quo. Canadians are demanding efficiencies. The bill does not deal with substantive issues. The bill deals with issues consequential to not creating a new department but merging three different departments. The bill is about efficiencies, about preventing overlap and about producing better results for the Canadian taxpayer.

Members know that the Department of Human Resources Development already exists through orders in council. An obvious question might be: Why bother proceeding with this in a legislative format? The department is working. Why not put the legislation off until other substantive issues could be included? It is a fair question and I would like to address it briefly. In my view there are essentially five reasons why we need the bill and why we should proceed without delay.

First, we need a straightforward way to clarify the role of the department and to clarify ministerial responsibilities. The existing arrangements are set out through orders in council. They are perfectly legitimate as transitional arrangements. However, in the final analysis the government, and I am sure everyone in the House, even the great Reform phoenix, would prefer to see this complex trail of statutory powers leading back to the enabling legislation of many different founding departments replaced with one single, coherent bill that sets out the mandate and the powers of the department in one place. That is just common sense. It ought to appeal to all of us. It certainly ought to appeal to the Reform Party.

Second, by providing that single coherent mandate we could then clarify the identity of the department, something that is important both for its employees, although I do not think the Reform Party is worried about them, and for its clients, Canadian citizens, people the government cares about.

For more than a year employees from the four founding departments, labour, employment and immigration, health and welfare and the secretary of state, have been working together to create a new organization. They have accomplished a great deal but their own sense of belonging, being part of a single focused organization, really cannot be complete until the legislation is passed.

Bill C–96 means that the people who work for the department can turn the page and head into a new chapter. At the same time people in organizations who work with the department need to know with whom they are working. This is difficult when, for example, departmental officials at this point legally cannot really use human resources department letterhead. For legal and contracting purposes they still use letterhead from departments that in the eyes of our partners do not even exist any more. That may seem like a minor issue, but it creates a great deal of confusion among our partners and is expensive.

• (1605)

It is related to the third reason why we need Bill C–96 now. It would be overstating the case to say that existing arrangements are an administrative nightmare, but it does not overstate the case by much. Without enabling legislation for the department even simple issues like getting a person transferred turns into a complex, time consuming and costly process.

When more detailed contracts are involved the process gets very messy. This is understandable and unavoidable during a major restructuring and transition, but there comes a time to bring that transition to an end. Two years have passed since the reorganization started and the time is now because we need to move forward. This is the fourth reason for the bill.

We have to consolidate the progress we have achieved in integrating social and labour market programs and sharpening the focus on developing Canada's human resources. More important, we need to clear the way for further progress.

As we undertake a major overhaul of the UI program, as we develop new programs and services under the human resources investment fund, as we work to improve programs for seniors, as the department implements the next phase of re–engineering and streamlining services to Canada, we need to clear the way.

This brings me to the fifth and most important reason we need the bill. Canadians need and deserve the best possible service. In the end that is what really matters about the bill. In the end that is what Liberals worry about. The displaced workers who walk into the Canada employment centre in Windsor, Ontario, deserve the same kind of integrated, results oriented support focused on helping people adjust and get new jobs.

The single mother from my riding who is looking for help needs the kind of integrated service that will help her care for her children while getting the skills and income support that will help her to build a life with a future.

The young person stuck in a cycle of dead end jobs and unemployment after leaving school needs help breaking that cycle. That is what Human Resources Development Canada is there for. We need to ensure that the department can do its job. It is important to clear up the administrative tangles left over from earlier times. It is important to establish a clear identity and coherent mandate for the new organization to function properly. It is important to ensure that as the department looks to the future there is a solid foundation to build on.

It is important also to continue to fulfil the overwhelming desire of Canadians, a desire that is clear in all 10 provinces and in the territories. What Canadians want is a strong federal government that can make sure that programs and services are delivered uniformly across the country.

Bill C–96 creates the department that will provide that foundation in the human resources development area. We need to pass the bill. We need to get on with the work of serving Canadians.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, it is with great pleasure that I take part in this debate today on Bill C–96, an act to establish the Department of Human Resources Development.

Over the next ten minutes, I intend to look at the issue of employment centre restructuring, from the particular point of view of Quebec, where, from now on, we will have 78 sub–offices coming under 28 offices called regional management centres.

I will also address this issue as it relates to a case of particular concern to me, namely the CEC of Trois–Rivières, because we were stunned and outraged to learn, on June 22, 1995, that the department planned to establish the regional management centre in Shawinigan rather than in Trois–Rivières.

This announcement immediately gave rise to a general outcry. Yours truly was the first one to denounce such plans, soon to be followed by the mayor of Trois–Rivières, the Chamber of Commerce and 70 organizations of the greater Trois–Rivières area, including 40 municipalities, all of which passed resolutions denouncing the federal government's plans in this respect.

This eventually resulted in a petition being circulated over the summer by the EIC employees' union, with the full support of the Federation of Senior Citizens, because this bill is a direct attack on senior citizens, and of the local branches of the Fédération des caisses populaires Desjardins, which helped circulate the petition. As a result, upwards of 25,000 citizens have signed the petition and expressed in writing their opposition to these plans the federal government has regarding our region.

• (1610)

As you can see, in addition to being very unpopular in the Trois–Rivières region, this decision actually contradicts the department's own criteria for determining the most sensible location for these offices.

In fact, the criteria were based first of all on the total population; second, on the number of people on unemployment insurance; third, on the number of people receiving income security benefits; fourth, on the number of senior citizens concerned; and finally, on the number of businesses and employers affected by the activities of the employment centres. The department, preferring to ignore its own criteria, concluded for obvious reasons that it was better to locate the regional centre in Shawinigan instead of Trois–Rivières, although there

is twice as much economic activity in the Trois–Rivières region as in Shawinigan.

The same ratio applies to the total population, the number of senior citizens and the number of businesses. This is one more example that shows why it makes no sense to locate in Shawinigan instead of Trois–Rivières. The practical implications are all explained in a document we happened to receive not long ago. This is an internal management document entitled: "Preliminary Report on Centralization of Claims Processing".

This document was released less than a month ago on October 23, 1995, and prepared by a committee of 11 department officials, including several senior officials. The report more or less describes the future role of the sub–offices, including Trois–Rivières. The sub–offices will receive benefit claims, transmit the claims and collect the facts from the client. According to a note in the document, this will only consist in taking down information provided by the client.

They will take this information down in Trois–Rivières and routinely send it on to Shawinigan, where more than half of the files will come from Trois–Rivières and the surrounding region. Trois–Rivières in this case includes Cap–de–la–Madeleine and Trois–Rivières West. What about Bécancour, which will have to deal with Drummondville? It does not make sense. There is no administrative or historic link between the residents of Bécancour and Drummondville, which is another absurd aspect of this plan.

We, that is my colleagues for Champlain and Richelieu and myself, wrote to the minister to make the appropriate representations. People in our regions, especially the unemployed, will have a hard time as a result of this plan. Six weeks later on November 10—as soon as possible, as usual—we received a written reply from the minister who, by the way, was too busy to meet three members of Parliament. He referred us to an assistant deputy minister in Montreal, Mr. Gladu. We will let somebody else go and meet him.

In his letter, the minister explained why Shawinigan had been chosen instead of Trois–Rivières, and I quote: "The government decided to centralize Human Resources Development Canada's internal services for the Mauricie region at the Shawinigan centre because it felt it would be useful to bring together a certain number of services and departments, including Revenue Canada and Human Resources Development Canada".

Which means it was a matter of accommodation, office space would appear to be available at the Taxation Data Centre in Shawinigan. The reason is therefore simply a physical one, despite the decision's unpopularity and unreasonableness. It is a matter of premises that has led to preparations to move it to Shawinigan–South and yet, in the present building, there are premises available. Even more will be coming available soon, because the network will disappear in the restructuring, and this will free up a whole floor and another one, two floors leased until 1999, which will be available and could accommodate all the personnel required for a regional management centre in Trois–Rivières.

• (1615)

This reason does not hold. What is more, the minister says that the future centre in Shawinigan, in addition to offering the same programs and services as in Trois–Rivières, will manage internal services relating to the administration and processing of unemployment insurance claims. This tells us about the role of the Shawinigan centre rather than the one in Trois–Rivières.

Here again, according to this document, not only will the actual files of people from Trois–Rivières be in Shawinigan, but departmental investigations will be done from Shawinigan, appeals to the board of referees will be made there and complaints about unemployment insurance will be lodged there. According to the same document, three claims out of four will be reviewed, as they call it, and will be given special follow–up because of some complexity or other. Therefore three claims out of four arriving in Trois–Rivières will be transferred to Shawinigan and given special treatment.

Here is what the minister says in his missive. He tells us that he has no intention of making any changes to the way the department is serving the people of Trois–Rivières. Well, at this time, the physical files of UI claimants are in Trois–Rivières; departmental investigations are conducted in Trois–Rivières; appeals to the UI arbitration board are heard in Trois–Rivières; and relatively complex files are processed in Trois–Rivières. Therefore, we cannot trust the minister when he tells us that the services provided to the people of Trois–Rivières will not be affected in any way. This cannot be true in my opinion.

How can we trust the minister? What guarantee does he give in this letter that there will be no changes? There is no guarantee. The more we look at this, the more we realize that the decision to move and almost dismantle the Trois–Rivières manpower centre—whose staff, according to our information, will be reduced from around 100 one or two years ago to 12—is purely political.

This is a purely political decision. If the hon. member for Saint–Maurice, the Prime Minister wants to show his constituents that electing him was not a mistake, that they did the right thing for the riding of Saint–Maurice by electing him, he may have the right to take measures, but he has no right to do so at the expense of the people of Trois–Rivières and the surrounding region and to look down on them. He has no right to do that, and I take this opportunity to tell you, Mr. Speaker, and to tell this House that we will not give up. We do not accept this decision and we never will.

[*English*]

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, the service delivery network initiative, a feature of this bill, is a significant step forward in providing Canadians with faster, more effective and efficient services. It gives the government and local communities greater flexibility to help those about whom we are all most concerned, those Canadians in need of some assistance from their government, whether it is through unemployment insurance, a retirement pension or many of the other services now under the jurisdiction of the Department of Human Resources Development. Not only does it provide for greater self–service, it enhances access to in–person service.

The service delivery network was spurred by the need to accomplish two goals: improve the quality of service and reduce costs. These goals may seem contradictory. The government, however, was convinced from the beginning that better and more innovative service is a means of saving money. It is also a way to meet the needs of Canadians more effectively.

Canadians clearly agree. They know fiscal restraint and social responsibility are both essential to Canada's future; they told us so during our wide ranging consultations. That is what the new service delivery network achieves; faster, more responsive, localized and personalized service at less cost.

• (1620)

Given the tone of the debate on Bill C–96, it would be useful to restate the background behind the reform. First, it bears repeating that Bill C–96 is an administrative measure, not a policy instrument. The new service delivery network breaks new ground in terms of innovation and creativity. What it does not do is create new powers for the federal government; nor does it invade provincial jurisdiction in matters of labour market development. It is an administrative reform initiative, period. It is not necessary or even desirable to alter jurisdictional arrangements or create new authorities.

[*Translation*]

How will this new service delivery network benefit Quebecers? The new network will affect the lives of Quebecers in many ways. Across the province, Human Resources Development Canada provides services through an expanding network of offices. Whether through programs and services relating to employment, old age pension benefits and unemployment insurance or any of the various job–related services, every Quebecer will be affected by one or more of these programs at one time or another, from their youth to their retirement.

HRDC offices in Quebec serve more than one million people. For students alone, there are 87 Canada Employment Centres for Students. The Quebec network administers several employment programs and Canada–Quebec agreements, a number of joint ventures involving the province and the federal government, 50,000 contracts relating to manpower and a $13.3 billion budget.

In 1994–1995, HRDC helped more than 164,000 Quebecers find jobs and nearly 45,000 students find summer jobs.

Education is another area in which HRDC makes a significant contribution. Without the required skills, Canadians and Quebecers have no hope of matching the competition on the rapidly changing global market we are dealing with today. That is why HRDC pumped $1.5 billion into the Quebec post–secondary education system. Young Quebecers certainly took advantage of this financial assistance to further their education.

[*English*]

The department helped nearly 280,000 participants in employment services and nearly 150,000 employment program participants. It served 850,000 old age security pension plan recipients. As well, HRDC contributed more than $2.7 billion under the Canada assistance plan to help some 700,000 people receiving social assistance benefits. It provided the unemployment insurance service to a monthly average of 528,000 claimants.

[*Translation*]

HRDC funds pilot projects like Éduplus, Formetal and La Puce to develop innovative ways of serving the public. The department also contributed to the outstanding success of groups like the Cirque du Soleil, which flourished with the financial support of HRDC.

This list of achievements speaks volumes. It shows that meaningful partnerships between the federal government and the people of Quebec promote community building and shape its future. By providing easier access to improved services, we broaden even more future prospects.

• (1625)

These initiatives and programs did not appear out of thin air; they are the result of sustained efforts by the department in Quebec. They certainly bear the Quebec government's seal of approval, since most of them arise from various partnership agreements that have been signed.

[*English*]

There are the Canada–Quebec interim agreements on labour force development measures, the Canada assistance plan, the agreement on enhancing employment opportunities for social assistance recipients, the Canada–Quebec agreement on the assignment of unemployment insurance benefits, the Canada–Quebec agreement on the exchange of information, the Canada student loan program with block funding to Quebec, the post–secondary education financing agreement with block funding to Quebec.

[*Translation*]

Do Quebecers appreciate these services? Undoubtedly, as evidenced by the 50,000 contracts relating to manpower, representing about $685 million, that were awarded in Quebec, including 9,600 contracts with non–profit organizations; 9,300 contracts with private sector enterprises; 2,800 contracts with public sector enterprises such as municipalities; 3,200 contracts with the Government of Quebec for the provision of institutional training and 25,000 contracts under the fee payer trainee program.

[*English*]

I have described the daily ongoing service of Human Resources Development Canada to the residents of Quebec and in co–operation with the people of Quebec. These are not the inventions of the new service delivery network. They are the content the network was designed to deliver more effectively, more responsively, more creatively.

Opposing improvements in the delivery of programs does not serve the interests of Quebecers. Confusing administrative reform with reform of social policy or jurisdictional changes does not serve the interests of Quebecers or of Canadians anywhere. Innovation and creativity do serve the interests of all Canadians, including Quebecers, and innovation and creativity are what the new service delivery network is all about.

The Department of Human Resources Development has every intention of remaining innovative in its delivery of services and programs but it has not by this initiative invented any new programs. We do need new ideas and ways of doing things. We need clarity of vision, which is what this bill represents, a new way for a new future of delivering programs right across the country, helping those who most need to adapt in a new economy.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker. I appreciate the opportunity to participate in this debate.

Human Resources Development Canada I believe, from my longstanding commitment to the Liberal tradition, is central to the government's maintaining its credibility with the people of Canada. Of all government departments Human Resources Development Canada is the one at this time that should get the most support and the most encouragement from all members of the House.

• (1630)

As we are going through a period of restructuring we have these incredible forces from the right that say cut, eliminate, offload, decentralize. When we are doing that for the purpose of eliminating waste I am sympathetic.

I believe human resources development has to be one of the departments of the national government that remain strong and intact. It must be the counterbalance to provincial forces that quite often are shortsighted and think in a parochial way rather than in the interest of the whole of Canada. I maintain that unless we have national programs with national standards it will be very difficult for us to maintain a sense of national will.

I am totally opposed to offloading any more of the decision making process in an area like human resources development to the province of Quebec or to any other provinces. All of a sudden we will have that parochial thought process emerge. We will become a country in which essentially we have about five or six different standards, thought processes emerging. When we are trying to develop national standards it is virtually impossible when we go that route.

I will give an example in terms of my own province, Ontario. We have a Conservative government which is being very shortsighted in the way it is treating its human resources development opportunities.

Mr. Stinson: Not according to the people.

Mr. Mills (Broadview—Greenwood): A member from the Reform Party said not according to the people.

I have to take a minute to talk about the people and why the provincial government is so popular in Ontario. We have in the country now an emerging culture. A book written by John Kenneth Galbraith was called *The Culture of the Content*. What we have now is a culture in which there are people who have work, who have a job, who have everything going for them, who might have a lot of RRSPs, whose business may be in good shape, who are essentially content. They represent about 70 per cent.

The 70 per cent who are basically content, who have their paycheque secure, or who have enough investment income that they can look after themselves are essentially comfortable with this right wing agenda. Those people are not being as sensitive as they used to be toward those in our community who do not have, who do not have work, who do not have the opportunity to get retrained. We must as governments invest in some people to be retrained.

We have in our province a Conservative government catering to the contented culture. It is forgetting the 30 per cent who are having a very difficult time. The Ontario government's vision is very much like a business vision. It is like earnings per share per quarter.

• (1635)

When building a country we cannot run it like a business. We have to think of the investment in human capital for the long term. It is essential that we have a counterbalance at the national level.

An hon. member: Oh, oh.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, when I try to talk in a constructive way about the issue here, the Reform Party does not let me finish. There may be a day when those gentlemen might be given the trust by the people of Canada. If they have been given the trust of the people of Canada, they are not supposed to get the trust and then simply say hand it over to the province.

The Chamber is meant to be a counterbalance to those regional and provincial forces. When one is in the Chamber, one does not speak only for one's own riding and one's own province. When in the Chamber, one is supposed to speak for all of Canada. We are here to speak for all of Canada.

Ontario has a shortsighted vision evolving in which we do not have investment dollars going into human resource development. We should be thanking God that we have a minister who will not be pushed around by the bureaucrats in the Department of Finance when they are trying to offload this place. He will maintain his presence for a strong national human resources development department.

To the members of the Reform, there are many I have had good constructive debate with—

An hon. member: Does that include giving something to the Winnipeg Jets?

Mr. Mills (Broadview—Greenwood): The member asked whether giving money to the Winnipeg Jets is a good decision? He is taking me off the subject matter of my speech but I will talk about the Winnipeg Jets. I declare conflict of interest with the Winnipeg Jets. As members know, my son played his nine games with the Winnipeg Jets. He is only a 19–year old kid.

I support the commitment of the Government of Canada to try to maintain another National Hockey League franchise in this country. I come from Toronto where we do not have any problems maintaining a franchise. This is not a country that has looked out only for those provinces that have. We should be looking out for provinces that do not have the same resources as downtown Toronto.

It does not bother me if some of the cashflow from Ontario is distributed to Winnipeg or other places if it means we can maintain our national sport. It does not bother me.

An hon. member: Big business.

Mr. Mills (Broadview—Greenwood): It is big business. It is a multi–billion business that has created exports, equipment, players, tourism and exposure. Do not underestimate the contribution of hockey as a national sport.

Let me get back to my speech on human resources development. Mr. Speaker, please do not dock me for the diversion that was generated by the Reform Party on the Winnipeg Jets.

The Acting Speaker (Mr. Kilger): The only commitment I will make—I cannot put you in the penalty box—is that you have two minutes to wrap it up.

Mr. Mills (Broadview—Greenwood): I will not argue with the Speaker because I am afraid of a 10–minute misconduct. That means I will not be able to speak tomorrow.

• (1640)

I want to go back to the essence of the department, human resources. Many of the ideas and decisions taken by the Department of Human Resources Development do not always come out of Ottawa. It is very rare. That is one of the myths, one of the spins we hear from the Reform Party.

I know many of the ideas for human resource development, ideas for job creation or jobs for retraining, actually come from the grassroots, from the local human resource development offices. I bet there is not a member of Parliament who has not had an idea come through the system and get approved where the idea came right from the community.

To all members and to my dear friends from the Bloc Quebecois please, the people of Canada have spoken. They want a strong national government. We must begin by reinforcing the voice of the people to make sure the Department of Human Resources Development is the ground swell for rebuilding this great, strong, national government that once was.

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 Saskatoon—Clark's Crossing, education; the hon. member for St. John's East, domestic violence.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, now that the Quebec referendum is over, the Liberal government is finally tabling the most important piece of its legislative agenda, that is Bill C–96. We had to put up with years of Liberal dickering and federal pussy footing to arrive at this result: at last, this government is showing its true colours.

The government can try its best by including so–called "technical" details in its bill, by saying that it merely seeks to "establish" a legal entity, and that it "streamlines" federal bureaucracy to meet the concerns of those involved. However, nothing can hide this obvious will to increase federal involvement in fields of provincial jurisdiction.

On October 5, in response to questions from the official opposition, the Minister of Human Resources Development deemed appropriate to say that the Bloc Quebecois obviously had "not taken the time to read the bill".

Whether the minister agrees or not, the fact is that the Bloc Quebecois, the Quebec government, the Société québécoise du développement de la main–d'oeuvre, the socio–economic partners in Quebec, including those representing management, union and social sectors, not to mention the Quebec minister of state responsible for joint action, have all read the same document and come to the same conclusion: Bill C–96 strengthens the centralizing views of the federal government and increases its involvement in the employment and social program sectors, including manpower training. This shows a complete disregard for the consensus reached in Quebec on the need to have all necessary powers, so that the Quebec government, in co–operation with its socio–economic partners, can channel its energy and its resources where they are needed most, based on the actual and increasing needs of its population.

On October 4, Louise Harel denounced, in a press release, the federal attempt to set up a parallel structure to get involved in the manpower training sector:

"Like its labour market partners, the Quebec government denounces Ottawa's intentions to set up its own parallel manpower structures in Quebec. This federal initiative amounts to a flat rejection of the unanimous Quebec consensus, repeatedly expressed, both under the previous administration and under the current one, on the need for Quebec to regain control over all labour adjustment measures, including the related budgets".

• (1645)

Let there be no mistake. This bill is a screen allowing the Liberal government to hide its real intentions. This makes it the cornerstone of federal interventionism for the Liberal government, which is now determined to ignore Quebec and overlook the provinces' wishes. This is a great example of the importance and role the federal government wants to give the provinces in tomorrow's Canada.

Bill C–96 mirrors the Canadian constitution: encroachments, overlap, duplication, and waste. Bill C–96 clearly shows that the federal government has no intention of respecting provincial jurisdiction. How can we not denounce this attitude?

This is not the federal government's first encroachment on provincial jurisdiction. After taking over unemployment insurance in the 1940s, it consolidated its hegemony in the labour sector by creating employment centres and manpower training programs. Fifty years later, we are forced to recognize that the federal government has no intention of withdrawing from that sector.

Bill C–96 undermines Quebec's efforts to set up a single framework for labour initiatives, thus confirming the official opposition's worst fears. The minister is trying to take advantage of his reform to give himself more powers at the expense of the provinces. Bill C–96 gives the government the powers it needs to bypass the provinces in concluding agreements with local organizations.

The federal government will then be able to go after municipalities and offer them responsibilities contracted directly with the Department of Human Resources Development. This would allow the minister to delegate powers to the new employment commission or any other entity, thereby bypassing provincial governments and administrations. Quebec's fears and concerns are justified, since the minister can impose his own standards on these entities by delegating these powers, without, of course, the agreement of the Canadian Parliament or the provinces. This is the Canadian version of decentralization.

This bill, if passed, will provide the necessary legislative framework to allow the minister to implement his much talked–about UI reform, which is the second piece of the federal puzzle. Several clauses of Bill C–96 grant huge discretionary powers to the head of the department, which, in the opinion of the official opposition, promotes greater federal interference and invasion of the provincial jurisdiction over social matters, and manpower in particular.

For instance, clause 6 of the bill states that the "powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction—not by law assigned to any other Minister, department, board or agency of the Government of Canada, and are to be exercised with the objective of enhancing employment, encouraging equality and promoting social security".

It is clear that, with Bill C–96, the powers, duties and functions assigned to the minister are larger, because his thrust area is no longer specified in the act. One can wonder about the deeper motives of the legislator.

As for clause 7, it could hardly be vaguer. It states that "In exercising the powers or performing the duties or functions assigned to him under this or any other act of Parliament, the minister may— cooperate with provincial authorities with a view to the coordination of efforts made or proposed for preserving and improving human resources development".

Nowhere does it say that the minister has to cooperate with the provinces. The minister is not required to respect provincial jurisdictions.

• (1650)

However, clauses 20 and 21 are even more worrisome. Clause 20 provides that:

> —the Minister may enter into agreements with a province— agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate.

This covers a vast range. As for clause 21, it provides that:

> The Minister may authorize the Minister of Labour, the Commission or any other person—to exercise any power or perform any duty or function of the Minister.

It is obvious to the official opposition that, through these legislative provisions, the minister is getting the powers necessary to delegate, to whomever he considers appropriate, the management of his department's policies and programs. From now on, the minister will have the power to contract out, at his full discretion and with full impunity.

In this instance, the minister will have the power to enter into agreements with local or regional organizations, such as municipalities, and thus completely ignore the provinces.

The federal strategy taking shape with this bill will inescapably generate a clash between the already well established manpower network and that of the federal government, with the numerous programs and grants of all kinds that the government will provide throughout Quebec. That strategy is already being used by the federal government. The establishment of this superdepartment, along with the discretionary powers given to the minister, will only reinforce the centralizing position of the federal government.

Unfortunately, by acting in this way and rejecting Quebec's efforts and desire to be effective in the manpower sector, the federal government clearly shows a lack of integrity. By establishing national standards in that field, the government carries on its tradition of interfering in fields which are not under its jurisdiction.

Quebec and its dynamic forces denounce the federal will to further interfere in an area where the programs and initiatives must be defined by the Quebec government, based on the real needs of its population.

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.): Mr. Speaker, Bill C–96 does not in any way alter present federal and provincial powers. No matter how you look at the situation, there is absolutely no intrusion in spheres of provincial jurisdiction. This is forbidden by the bill itself.

The time has definitely come for all levels of government—federal, provincial, municipal—to rise above all jurisdictional quarrels and to start finding solutions for working together, pooling their resources and helping the people they serve.

The Bloc would prefer to see us do nothing. On November 9, the member for Mercier served up a fine piece of jargon about jurisdictional issues. Perhaps she might like to come back down to earth and talk to us instead about the people concerned.

Perhaps she might talk to the millions of Quebecers who each year turn to the Department of Human Resources Development for help, to let them know which of them will be abandoned and unable to take advantage of the $13.3 billion we spend in their province every year.

Perhaps the Bloc ought to talk to the 164,000 Quebec men and women we helped to find a job last year, to say, "We will not be helping you any longer". Perhaps the Bloc members could let us know which of the 44,789 students who found summer employment last summer we ought not to have helped.

Perhaps they could tell some 700,000 Quebecers that the federal government ought not to have spent close to three billion dollars for the social aid program they depend upon to live.

Perhaps the Bloc could explain jurisdictional issues to the half million unemployment insurance recipients there are in Quebec every month.

• (1655)

Perhaps they could tell us which of the 400,000 Quebecers who benefit from our employment programs and services we should abandon.

Perhaps they could explain to the 850,000 Quebec seniors why they should not receive their Canada pension plan and old age security benefits.

Perhaps they could explain to Quebecers why the federal government should not invest $1.5 billion in their postsecondary education system.

While some members worry about the imaginary threat of federal power grabs, the Department of Human Resources Development is doing the work it has to do, with Quebecers and the Quebec government. Bloc members say, in the name of respect for provincial jurisdictions, that we should do nothing. I, however, say that, in the name of change, we should find ways of doing a better job.

It is not by erecting walls that we will do a better job. We need a better philosophy. We need the type of philosophy articulated by the minister when he talked about the need to empower the community and the people to make more choices.

What was the hon. member for Kamouraska—Rivière–du–Loup's answer? No. People should not be empowered to make more choices. This is not the Bloc's philosophy. We need the kind of philosophy articulated by the minister when he talked about new partnerships between the government and the private sector, between the government and the school boards, between the government and the provinces.

What was the hon. member for Kamouraska—Rivière-du-Loup's answer? "No, we do not want to work together to bring about changes". The hon. members for Mercier and Kamouraska—Rivière-du-Loup made much of the fact that Bill C-96 allows us to conclude agreements with Quebec organizations for implementing our programs and delivering our services.

HRDC already has thousands of contracts and agreements with a myriad of Quebec organizations, including agreements with the Quebec government that are important to those people trying to return to the labour force. The existing legislation already allows us to negotiate such agreements. In 1994-95 alone, HRDC signed over 50,000 labour agreements in Quebec, representing a total of $695 million in funding for programs and income support. This bill simply renews these agreements. Nothing has changed.

Is the Bloc telling us that we should stop investing millions of dollars to help laid-off workers, as we are now doing under the program for older worker adjustment? We could not do so without the power to enter into agreements with financial institutions and to buy the pension plans these workers need.

Does the Bloc mean to say that we should stop building new partnerships in Quebec, partnerships that help reduce duplication and overlap and improve service delivery to Quebecers? Because we would be unable to establish partnerships if we no longer had the means of ensuring their smooth running.

Let there be no mistake about it, the partnerships we enter into are indeed effective, and the basic concept of flexible federalism which supports these partnerships is also effective. Think about the many current agreements between HRDC and Quebec, including the interim Canada-Quebec agreement on certain manpower development initiatives, the welfare recipient accord implementation agreement, the Canada-Quebec agreement on employment in the agricultural sector and the agreement on the global transfer of funds to Quebec under the Canadian Student Loans Program, just to name a few.

• (1700)

These master agreements are effective and they have a decisive impact on the lives of thousands of Quebecers.

I submit that we should consolidate these partnerships, further decentralize powers and let Quebecers decide what programs and services are best suited to their needs.

Labour market programs and services are already amongst the most highly decentralized federal measures. They are implemented through a very wide network of local centres that have gained a reputation for reliability and co-operation within the communities they serve.

The government is currently decentralizing by delegating decision making authority back to the regions, all the way down to the local level, where it should rest. Over the past year, we have been leaders and made tremendous progress in this area. We completely redesigned the way the Department of Human Resources Development operates within communities in Quebec and across Canada.

The federal government also undertook to work together with the provinces to afford Canadians maximum flexibility with respect to services. Take for instance the Canada social transfer for health and social programs, which is to replace the Canada assistance plan. The purpose of the social transfer is to help provinces provide the social services and benefits of their choice, which they cannot do at present because of inflexible rules.

Obviously, this is good news. We are making real progress on the road to co-operation, while also preserving our integrity. We are making real progress by putting stable social programs in the hands of Quebecers.

Bill C-96 is about the pursuit of these achievements. It will allow us to continue to work together, to define the roles of the various levels of government, and to create links between them.

These initiatives are certainly better than the alleged usurpations of authority. It is high time we started creating links that will bring us closer together.

This is why we officially asked the Government of Quebec, as well as those of the other provinces, to co-operate with us to decentralize services. Several provinces have already joined us to discuss ways to define our respective roles and promote more effective co-operation. Consequently, I urge all members of the House to encourage Quebec to join us to meet that challenge.

The motion from the Bloc Quebecois is certainly not a constructive move to bring about the type of changes that we all want. Rather, it is yet another obstacle on the way to the future.

What purpose would be served if the House did not go ahead with Bill C-96? None at all. It would not help the Bloc Quebecois to proceed with the type of changes it claims to be seeking. It would not help Canadians to get the services which they expect and which they need.

It would only force the Department of Human Resources Development to continue to work in isolation, outside the simple and consistent framework provided by the bill. It would only maintain the administrative burden resulting from the lack of enabling legislation, since even the simplest operations, such as a transfer of personnel, can trigger a complex, long and costly process.

We can certainly do better than that.

It goes without saying that co–operation is better than confrontation, discord and separation. We have to recognize that, at a time when we are trying to make the best of the resources of federalism, in which Quebecers have put their faith.

Co–operation is better than living in the past, as we are trying to redefine the role of partners, which must be fulfilled by governments, that is being partners with individuals and communities, but also partners among themselves.

Such is the philosophy, the vision underlying the establishment of the new Department of Human Resources Development.

Bill C–96 is the foundation of that department. With the approval and support of this House, we will pass this legislation and carry on our work.

• (1705)

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is with great interest that I am intervening today in this House on Bill C–96, an act to legally establish the Department of Human Resources Development.

This is a long way from the agricultural portfolio for which I am usually critic for the official opposition, but the significance of the changes brought in by Bill C–96 requires me to speak out.

Application of this bill would be disastrous for Quebec, and I must defend the interests of my constituents first, but also those of all Quebecers.

What the government is preparing to do by going ahead with this bill is quite simply unacceptable. Bill C–96 is a tool with which the minister intends to broaden his powers once again, going over the heads of the provinces to do as he sees fit.

This bill enables the minister to ignore the provinces by establishing direct links with local organizations or individuals of his choice. What we are to understand from this is that, when the federal government speaks of decentralization, it is merely replacing the salaries of federal employees with grants to local organizations, thus retaining total control over program standards.

With Bill C–96 it is absolutely clear that the federal government does not intend to respect this area of provincial jurisdiction in any way. We in Quebec will not allow this to happen.

Once again, this reminds me that, only hours after the last referendum, the Prime Minister of this country, the leader of the party across the floor here, the Liberal Party, the one that started off promising no changes, nothing on the table, after the conference on the UN, said there was no question whatsoever of proposing any changes. And with that great declaration of love, paid for by all of us of course, that put any possibility of decentralization, any possibility of change, on ice.

This bill was already prepared, of course, but it is totally contradictory to what the Prime Minister of Canada had suggested.

In reaction to Bill C–96, a proposal was made by Claude Béland, with the support of Ghislain Dufour, a person who cannot be accused of defending the sovereignist cause. As you are well aware, Mr. Speaker, Ghislain Dufour does not run with the sovereignists, but with the party across the floor. He asked that the SQDM unanimously adopt a resolution demanding that the federal government transfer the budgets it allocates for manpower training to Quebec and that it not establish a structure parallel to the SQDM.

Henri Massé, secretary general of the FTQ, also pulled no punches in his attack against this federal plan. "We no longer want the federal government butting in where it has no business to be—that is, manpower—and going over our heads to implement a parallel structure".

Still in connection with the referendum campaign, Victoriaville, in the next riding to mine, Lotbinière, had an important visitor, the Minister of Foreign Affairs, representing a Montreal riding whose name escapes me.

• (1710)

I know that an Ontario resident has his riding in Montreal and happens to be our Minister of Foreign Affairs. He told about fifteen people at a public meeting in Victoriaville that it was Quebec's fault if there was any duplication. Now really! Sure, that is what he said. He did not realize it but there was a reporter—he thought he was alone, no media—who only had a tape recorder and the next day they played his tape of the minister's speech on the radio news.

It really takes colossal nerve and then some, to go to Victoriaville, in the riding of Lotbinière, and say it was Quebec's fault if there is any duplication. Now that is a clear case. Let them stay home. We do not want them. The Liberal predecessor of the PQ government, under Robert Bourassa and then Daniel Johnson, unanimously adopted a resolution asking this government to stay out of manpower training. They just do not understand. Two structures and deficit upon deficit.

In fact, one of my constituents from East Broughton, Clément Paré—I asked his permission to mention his name—told me: "People do not understand. It is like a well at one end of my property. I take a pipe to bring the water from the well down to the bottom of my property. The further I get from the well, the more likely I am to get leaks, and I also lose pressure". It does not take a university degree to understand that.

He said: "It is the same in Ottawa. You pay taxes to Ottawa, the money goes from East Broughton and Frontenac and is sent to Ottawa, some of it gets lost on the way, and then it goes back down to East Broughton and to Thetford, and some more gets lost, and we are left with the crumbs". That is the kind of system we have: duplication throughout.

Mr. Speaker, I told you the story about the well and I saw your knowing smile. This is a very good example. I think my constituent, Mr. Paré, has very good judgment, and that is probably why he voted and worked for the Yes side in his beautiful municipality of East Broughton.

As I left my riding this morning, I stopped in Weedon to get some gas, and I noticed the Pepsi–Cola vending machine had been struck by a car. So I told the garage owner: "Too bad about that. Your Pepsi machine is broken already". He replied: "Yeah, sure, it was not big enough". In fact, it was huge, standing there outside the garage. Actually he was joking when he said: "It was not big enough". I said: "Too bad, it will cost you a few dollars to repair that". He said: "Oh, that does not matter". So I said: "How come?" He said: "It does not belong to me, it belongs to Pepsi". You see, Mr. Speaker? It belongs to Pepsi, so it does not matter.

People often react the same way to Ottawa. When I was the mayor of a small municipality, I remember we spread eight inches of nice new gravel on the sixth line. My constituents who were, of course, a small group, came to complain that the municipality was spending too much money. I said: "No problem. You are not paying for it". They said: "How come?" I said: "The money comes from the province". They said: "So you got a grant, Mr. Mayor?" I said: "Yes. I got it through our MNA". They said: "Great, the money comes from Quebec! It is not our money".

So you get the same reasoning when it comes from the federal government. When it comes from the federal government, it comes from somewhere on this planet, nobody knows exactly where. My point is that when the Minister of Foreign Affairs, this Ontarian who represents a Montreal riding, when he said in Victoriaville that if there was any duplication, it was not the federal government but the Quebec government, it really takes a colossal nerve.

• (1715)

The board of directors of the Canadian Institute of Adult Education has also condemned the Liberal government's initiative. The CIAE strongly objects to Bill C–96. The Bloc Quebecois is not alone in its opposition to Bill C–96. With this bill, the federal government has demonstrated a flagrant lack of respect for the aspirations of the provinces and especially those of Quebec in matters of education, manpower training and development.

With all these agencies and many others that are opposed to Bill C–96, the government of Quebec condemns outright the federal Liberal government's insistence on going ahead without considering the needs expressed by the groups concerned. Quebec Employment Minister Louise Harel reacted as follows to Bill C–96: "This is an outright refusal on the part of Ottawa to consider the consensus that exists in Quebec and was repeatedly expressed by the previous administrations of Mr. Bourassa and Mr. Johnson and by the present government headed by Mr. Parizeau, a consensus on the need to patriate all programs and budgets for manpower adjustment to Quebec".

In concluding, I want to point out that the Quebec Liberal Party, when it was in power, demanded that the federal government withdraw from this provincial jurisdiction.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to take part in the debate, at second reading, on Bill C–96 establishing the Department of Human Resources Development and amending certain acts, which was tabled in June.

This bill provides, essentially, for the administrative reorganization of the department and brings together sections and services from the former Departments of Employment and Immigration, Health and Welfare, Labour and the Secretary of State.

It reaffirms the federal government's involvement in manpower training, employment and social programs.

It contains no indication of the federal government's intention to respect provincial jurisdictions.

Reaction in Quebec to Bill C–96 was therefore negative. The FTQ cautioned the federal government about its latest attempt to intervene in areas of Quebec's jurisdiction in manpower development. The federation's general secretary, Henri Massé, indicated they had had enough of Ottawa's involvement in this area and its bypassing the province to set up parallel structures. He said that Quebec had established a special partnership in the area with the Société québécoise de développement de la main–d'oeuvre or SQDM. He added that there was a strong consensus favouring Quebec's becoming solely responsible for policies on manpower adjustment and occupational training within its borders and its acquiring the funds the federal government allocates to these programs.

The Conseil du patronat agrees with the unions on this, something that does not happen very often. Even Robert Bourassa's Liberal government opposed a similar move by Ottawa in 1991.

The SQDM has asked the federal government to keep out of areas of Quebec's jurisdiction in manpower development.

• (1720)

The board of directors, on a motion by Claude Béland, the president of the Mouvement Desjardins, seconded by Ghislain Dufour, the president of the Conseil du patronat, unanimously adopted a resolution to call on the federal government to transfer to Quebec the funds it allocates to manpower training. Furthermore, they asked Ottawa not to establish any structure parallel to the SQDM.

The Quebec minister of employment, Louise Harel, denounced the bill in the following terms: "This federal initiative amounts to a flat rejection of the unanimous Quebec consensus, expressed, both under the previous administration and under the current one, on the need for Quebec to regain control over all manpower adjustment measures, including the related budgets".

I take this opportunity to again protest the upcoming closure of the Canada Employment Centre on rue Papineau, which serves the population of my riding of Bourassa in North Montreal, where the real rate of unemployment is nearly 30 per cent. It is a model CEC, which provides top quality service to a large clientele. Unions, business, community groups, users and my constituents vigorously oppose its closure.

Furthermore, the federal government has decided to close 34 other Canada Employment Centres in an effort to cut expenses, thus resulting in the layoff of nearly 1,000 public servants. Computerized job kiosks will become more prevalent.

The unemployment rate remains a very high 11.2 per cent in Quebec. The jobless have an urgent need for support services to which only 10 per cent of them had access last year. Instead of helping people who are looking for a job, the government makes it more difficult for them to have access to information and counselling services.

One must add that these closures are all the more difficult to explain as the unemployment insurance fund, which is entirely financed by employee and employer contributions, has a five billion dollar surplus.

Last September, the unemployment rate in Canada increased from 9.2 to 9.4 per cent. In Quebec, it went from 10.9 to 11.2 per cent. In British Columbia, it climbed from 8.8 to 9 per cent. Last year, cuts in the federal and provincial public sector resulted in the loss of 86,000 jobs. In October only, 3,000 civil servants lost their jobs. And yet, Bill C–96 contains no concrete measure to create jobs.

If you allow me, I will take this opportunity to ask the minister of Human Resources Development to speed up the negotiations with regards to a social security agreement between Canada and Chile. In 1990, with the return of a democratic regime in Chile, as president of the Chilean council in Quebec, I had asked for negotiations to start on this issue.

As a member of Parliament, I wrote the minister on several occasions. It was only at the end of 1994 that representatives of both countries met for the first time in Santiago. The second meeting took place last June, in Quebec City and in Ottawa. The Chilean community in Quebec and Canada would like this agreement to be signed without delay; it will benefit many Canadian and Chilean citizens who have lived and worked in both countries.

• (1725)

I would also like to congratulate the FTQ and the CSN which signed a solidarity and co–operation agreement that on November 13 will create a partnership between these two unions. This agreement confirms their common will to enhance the impact and the influence of organized labour in our society.

I think that it is an historical agreement and an extraordinary measure bringing together two Quebec labour unions which will jointly face future challenges, including employment and the protection of existing social benefits.

The next FTQ convention will be held from November 27 to December 1st in Montreal, where the theme will be to fight unemployment and prepare the future.

The job issue will be the focus of all discussions because the streamlining, restructuring, voluntary termination of employment and early retirement programs are continuing and even increasing, in both the public and the private sectors.

I wish my FTQ friends an excellent convention.

Given the cuts in unemployment insurance, thousands of unemployed people will have no other choice but to ask for welfare, but welfare benefits have also been cut over the past few years. Recently, Ontario decreased welfare benefits by 21.6 per cent. It is unfair and cruel for Canada to fight the deficit at the expense of the have–nots of our society. I denounce the Liberal government's irresponsibility and lack of action in the fight against poverty.

In closing, I would like to say that I approve the amendment to Bill C–96 presented by the member for Mercier.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The vote is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the 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: Call in the members.

I have been requested by the government whip and the opposition whip to defer the division until tomorrow, immediately after Government Orders.

* * *

[*English*]

AUDITOR GENERAL ACT

The House proceeded to the consideration of Bill C–83, an act to amend the Auditor General Act, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Deputy Speaker: There is only one motion in amendment standing on the Notice Paper for report stage of Bill C–83, an act to amend the Auditor General Act.

[*Translation*]

Motion No. 1 will be debated and voted on.

MOTIONS IN AMENDMENT

Mrs. Monique Guay (Laurentides, BQ) moved:

Motion No. 1

That Bill C–83, in Clause 5, be amended by deleting lines 1 to 23, on page 3.

She said: Mr. Speaker, I want to address the motion that we have tabled, an amendment to remove the amendment tabled by the Liberals during the committee meeting of November 2, which amended Bill C–83, in clause 5, by adding section 21.1, from (a) to (h).

• (1730)

I note that this bill was given a fairly bumpy ride in committee, if I may say so. The Liberals seemed to be caught between a rock and a hard place, to be torn between public servants and politicians. First, members opposite moved and voted on their own amendments, then cancelled them and moved and voted on new ones. You will agree that this is confusion at its best.

The amendment our friends opposite, our friends of confusion and discord, are proposing seems to be a big catchall of environmental principles that constitutes a dangerous foot in the door of provincial jurisdiction.

A careful reading of section 21.1 and its points (a) to (h) leads us to believe that the Liberals may have wanted to better explain the work of the future commissioner of environment and sustainable development. If that was their objective, they are way off the mark. Instead of presenting precise objectives in support of the future commissioner, the Liberals propose to give him a series of broad environmental principles that, ultimately, will not make his task any easier. Even worse, these broad principles will extend his mandate to a point where he will be unable to carry it out.

However, this section is, once again, a case of the federal government wanting to interfere in provincial jurisdiction. Indeed, through this section, the commissioner will have the mandate to monitor the progress of departments according to sustainable development criteria that are clearly the responsibility of the provinces.

Thus, under section 21.1, a department encroaching on an area of provincial jurisdiction will get a positive appraisal from the federal commissioner. There was certainly nothing else to be expected from the Liberal committee members. True to themselves, they repeated the same arguments they had put forward when we were studying the CEPA, the Canadian Environmental Protection Act.

It is becoming increasingly clear that the goal of Liberal committee members is to extend as much as possible federal jurisdiction on environmental matters and to use the federal government's spending power as much as possible, although that attitude is viewed as an aggression by the provinces. Committee members constantly refer to great green principles such as sustainable development, bio–diversity or systemic approach, to promote an increased federal presence in the area of environment.

Of course air pollution is not restricted to one region. Of course water knows no boundary. Of course species move around. We all know this, but this is no reason for the federal government to become or set out to become the sole keeper of the environment, especially since the provinces have made great strides in that area and have taken their responsibilities. The same certainly cannot be said for the federal government, something the Liberals should recognize.

The federal government has not made rapid progress and has failed on many environmental issues under its jurisdiction. Why then should we give it more responsibility, when it does not even carry out its primary duties? Why do they absolutely insist that the federal should interfere in areas of provincial jurisdiction against the provinces' will? There lies the failing, if I may say, of our dear Liberals. The Liberals have some great environmentalists such as the hon. member for Davenport and the hon. member for Lachine—Lac–Saint–Louis, who, much to their credit, are also great champions of Canada. That is exactly where their weakness lies: they are fervent federalists.

Their vision of the environment is clearly influenced, not to say marred by their natural federalist tendencies. That is why they tie everything that has to do with the environment to the federal system. This kind of attitude is alarming and dangerous for the environment because the farther one is from the field, the harder it is to find a solution. It is obvious that the provinces are closer to the environment and are therefore in a better position to deal with environmental issues.

Let us have a look at the concept of sustainable development to be found in the bill, a concept the Liberals use a great deal to crowd out the provinces. Sustainable development is an ideal all societies should strive for.

• (1735)

What is at stake here is not the validity of this principle, but the way it is implemented. The Bloc Quebecois not only recognizes the validity of the principle, but also the need, not to say the urgent need, to translate it into concrete measures.

We believe this principle should be implemented by the provinces because they have the overriding jurisdiction over the environment. It is up to the provinces to promote the conditions needed for sustainable development.

In a federal system, the principle of sustainable development takes on a new dimension, that is respect for jurisdictions and areas of authority. Obviously, the squandering of both financial and human resources, due to a double structure, is in no way sustainable. However, pursuant to their amendment, the Liberals are asking the commissioner to monitor the progress of the various departments, by taking into consideration criteria which clearly come under areas of exclusive provincial jurisdiction.

Let us look at paragraph (*a*) of the clause dealing with the integration of the environment and the economy. In fact, this part of the commissioner's mandate can turn into subsidy programs for suppliers or targeted purchase programs, for example.

Using its spending power, the federal government has often launched programs or projects in areas of provincial jurisdiction. In many cases, after a few months, the federal government withdrew and let the provinces, including the province of Quebec, foot the bill and go through the ordeal of quashing these projects.

This way of doing things can in no way help to protect the environment. Short term and paltry measures are to be excluded.

Paragraph (*b*) talks about protecting the health of Canadians. Health is an area of exclusive provincial jurisdiction. It is the responsibility of the provinces to prevent health risks due to water and air pollution or soil depletion.

Again, duplication of standards and inconsistency with the provincial standards are inefficient and costly for the governments as well as for the private sector and the public. The federal government has again opened the door to new quarrels concerning the division of powers.

Given the rather firm stand taken by the provinces on this issue, it is hard to understand the attitude of the federal government. That proves again that the Liberals do not understand a thing about the repeated demands for change made by Canadians and Quebecers.

We are anxious to see the changes promised by the other side on October 30. It will probably, in the end, be another case of "Much ado about nothing". I am fair–play and ready to wait and see. All the more so since the Minister of Intergovernmental Affairs seems to be quite a miracle worker.

Paragraph (*c*) of clause 21.1 has to do with protecting ecosystems. As owners and managers of the land, the provinces have jurisdiction over ecosystems. As an example, to assume this role, Quebec created 17 national parks. It also gave itself the legislative tools to preserve biodiversity.

Provinces which have not yet done so have the responsibility to act and pay heed to the demands of the world community which, for example, made some criticisms in the OECD report concerning Canada's environmental performance when it comes to protecting ecosystems.

Those are some of the items that make us doubt the will of the federal government to respect the provinces.

Clause 21.1 of Bill C–83 is rather to the contrary. In mentioning vast environmental concepts the federal government shows its intention to interfere further in areas of provincial jurisdiction.

The federal environmental record is nothing to cheer about.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on behalf of the government, I want to respond to what the hon. member for Laurentides said and to the amendment she moved to the bill.

I should read the section the hon. member wishes to remove from the bill.

• (1740)

It is section 21.1, which reads as follows:

21.1 The purpose of the Commissioner is to provide sustainable development monitoring and reporting on the progress of category I departments towards sustainable development, which is a continually evolving concept based on the integration of social, economic and environmental concerns, and which may be achieved by, among other things,

(a) the integration of the environment and the economy;

(b) protecting the health of Canadians;

(c) protecting ecosystems;

(d) meeting international obligations;

(e) promoting equity;

(f) an integrated approach to planning and making decisions that takes into account the environmental and natural resource costs of different economic options and the economic costs of different environmental and natural resource options;

(g) preventing pollution; and

(h) respect for nature and the needs of future generations.

I find it really surprising that the hon. member for Laurentides has decided to move such an amendment to the bill at this time.

[*English*]

She knows perfectly well that her leader, the hon. member for Lac–Saint–Jean, was a minister of the environment and supported all these same principles. She comes into the House today while he is occupied considering his future and proposes an amendment that undermines the whole concept of sustainable development and a way of treating it in Canada.

I am absolutely astounded that the hon. member for Laurentides is getting away with this. I suspect that if the Leader of the Opposition were in Ottawa he would hound his colleague, the member for Laurentides, for proposing such an amendment as this. She has tried to claim this amendment is one that affects provincial jurisdiction but on its face it most patently does not.

It says that the commissioner will provide sustainable development monitoring and reporting on the progress government departments are making. How can government departments be making progress on things that are not within their jurisdiction? They must deal with matters within their own jurisdiction. If they were dealing with matters beyond their jurisdiction, they would be doing something unlawful. Everyone knows that government departments do not do things that are unlawful, at least not very often.

The hon. member who is making these claims is saying that government departments are in fact dabbling in provincial matters all the time and therefore this section is bad because the commissioner in his work might impinge on provincial jurisdiction if the government department was doing so and he was reporting on it. Presumably if he thought the federal government department was overstepping its bounds he would report that.

After all, he is an officer who has some authority, according to my reading of this bill. I do not claim to be terribly familiar with it. I was not on the committee where the amendment was brought in but I understand the commissioner is given certain authority, which in my view is very sensible authority, to deal with a whole host of issues, all of which are of great concern to Canadians. Every one of the items I read from the list is of concern to Canadians.

Yet we have a situation where a party headed by a former minister of the environment who supported all of these things when he was minister—

Mr. Boudria: He invented some of them.

Mr. Milliken: As the hon. member for Glengarry—Prescott—Russell has said so ably, he invented some of them and I am sure his memory of these things is better than mine. The hon. member for Lac–Saint–Jean invented these very concepts and now one of his henchmen comes into the House and tries to undermine the whole process.

I am shocked. I am sure every member of the House is shocked at the duplicity of the opposition in saying one thing through its leader when he was minister of the environment and saying another now through the hon. member for Laurentides with this frankly ridiculous amendment.

I see even the members of the Reform Party are smirking. They must agree this amendment is pretty wild. It is not something they would support. I am sure they support the bill. I am sure they realize the bill is in the best interests of all Canadians as I am sure the Leader of the Opposition does. After all he knows more about environmental issues than I do. He was minister for several years. I know it was with a government that showed a callous disregard for the environment but he had a reputation for doing the best he could in difficult circumstances.

Some say that perhaps—

Ms. Augustine: —he should have remained.

• (1745)

Mr. Milliken: Some say that perhaps he should have remained as Minister of the Environment, but he did not. On the other hand, I understand there were often times when he did not get a lot of support from his cabinet colleagues on environmental matters he raised. He may have gone out on a limb and done it in an appropriate way from time to time, but I do not know. I was not in the cabinet. It is not something I could easily comment on, but we certainly can see the effect of his environmental crusade. The hon. member for Laurentides has wilfully abandoned all the principles her leader stood for when he was Minister of the Environment.

As I said, I find myself almost at a loss for words in trying to understand the amendment she has put forward today. I can only assume that the Leader of the Opposition did not see this amendment before it was tabled. If he had, he would have blown a gasket, in common parlance, and that would have been the end of the amendment.

I can only say that I hope there is a vote on this. I want to see the Leader of the Opposition come into the House and vote against the principles he so resolutely stood for when he was Minister of the Environment.

He may have forgotten some of the things he learned when he was minister.

An hon. member: Remind him.

Mr. Milliken: I am trying to remind him by this speech. I hope he reads it very carefully and I am sure the hon. member for Glengarry—Prescott—Russell would agree.

Sometimes remembrance is important in these things. The Minister of the Environment always learns something about his or her portfolio when occupying that portfolio. When the member for Lac–Saint–Jean was a minister, I remember him standing and answering questions, defending the government's environmental policy in the House. Now we see his party trying to undo the work of a committee of the House and the work of the present very competent Minister of the Environment, the hon. member for Hamilton East.

The hon. member for Laurentides is pleading with me to continue this eulogy. I certainly could do that. She knows what a competent minister we have. The fact is all these ministers have stood for this kind of principle and they have all adopted the principle of sustainable development as the cornerstone of Canada's environmental policy.

The hon. member for Davenport, who I am sure will be speaking on this amendment in a few moments, can remind us of how long this principle of sustainable development has been a cornerstone of Canadian environmental policy. It is reflected in this bill. Here is an opportunity to have an officer with some authority to report on government departments on how they are doing on specific concerns. It was a great list.

The hon. member for Laurentides wants to throw the whole thing out of the bill. I do not understand it. Of course, the government will oppose this change. It is wrong headed. It is contrary to principles espoused by the hon. member's own leader. It is contrary to the principles that were agreed on in the committee which studied the bill. I am shocked to hear at this late date that the hon. member for Laurentides would take it in her own capacity to move an amendment to the bill that would undermine what I think is the view of the vast majority of Canadians and the vast majority of members of the House.

I want to indicate the government's strong opposition to the amendment. We will support the bill and the amendments that were made in committee. We feel the committee's amendments were entirely appropriate and the bill as it stands is a good bill.

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, there is no doubt that the environment is an issue very dear to Canadians. We all want to do what we can to preserve this great country. Every day we ask ourselves: What can we do to make certain that the environment can be preserved and saved?

The member for Laurentides is a great believer in environmental issues yet I have to question her amendment to Bill C–83. The bill is not a solid, forthright piece of legislation. There is no doubt about that. However, removing the part in clause 5 dealing with sustainable development makes a weak bill all that much weaker. It removes benchmark measurements on reporting.

The Reform Party has been consistent in its position on Bill C–83. The bill would be much more effective if the role of the environmental commissioner were completely taken over by the auditor general. We know that the commissioner will be an employee of the Office of the Auditor General. The commissioner will have to pass everything by the auditor general before it can be released to Parliament and the public.

• (1750)

Bill C–83 makes the government look as if it is serious about cleaning up the environmental practices of federal departments. However, the real question is whether or not this commissioner is going to really make a difference. The role is a strange one. The commissioner would monitor and report annually to Parliament through the auditor general on the extent to which federal government departments had met sustainable development objectives and implemented the actions set out in their sustainable development strategies.

When the auditor general came before the environment committee, he stated quite clearly that there would not be a responsibility given to the commissioner that could not be performed by the auditor general himself. Therefore, Reform sees the role of the commissioner as outlined in this bill to simply be another level of bureaucracy, all of course at the expense of the taxpayers. It is a long envisaged proposal now coming in the form for the sake of appearances without any real substance.

Let us not forget the Minister of the Environment stated that one objective of the commissioner would be to look into waste reduction. Therefore, if the auditor general's office took over more responsibility in terms of environmental issues would this not be cost effective as well as a reduction of wastefulness?

The environment minister has truly convinced herself that Bill C–83 will be a solution to some of Canada's environmental chaos. The minister believes that when the commissioner reports to Parliament, federal departments are going to listen and then act. However, if they do not act now to the regular auditor general's reports, why would they act on a commissioner's report on environmental issues?

Let me illustrate the point. The report from the auditor general in May 1995 looked at Environment Canada and the management of hazardous wastes. The auditor general reported that there was a lack of effort on Environment Canada's part to control the storage and destruction of PCB wastes. The control of PCBs is under the regulation of the Canadian Environmental Protection Act in order to minimize risk to human health and the environment.

The auditor general stated: "On March 31, 1995, Environment Canada terminated its leadership role in the management of PCB destruction without devising a plan to guide federal departments to further consolidate PCB wastes, reduce their volume and develop action plans for their destruction. This

could seriously impede the government's ability to ensure safe and cost effective storage and timely destruction of federal PCB wastes".

The control of PCB wastes is crucial for true sustainable development. Unfortunately, the environment minister has not followed through with the auditor general's recommendations. Therefore, my question is: When and if the environmental commissioner is put into place, what will he or she say that will be any more convincing than what has already been said by the auditor general himself? The answer is nothing. The section of the bill adjusted by the Bloc amendment before us makes the bill ever more unfocused and vague and does not enhance any function at all.

Canadians will soon realize that the commissioner is just a smoke screen created by the environment minister to make it appear that she is working to clean up the environment. She has done little throughout her tenure as minister that accomplishes an improvement to our environment. Her talk is shrill and her actions are sometimes expensive; the end result being an increased deficit with little to no environmental improvements.

My friend from the Bloc Quebecois has an amendment at this stage that deletes what I believe to be the only clear specification in this legislation. While I do not agree that we should have a separate commissioner under the auspices of the auditor general, I do believe that if there has to be one it is essential that the person provide the best report possible on all sustainable development strategies to all category one departments.

In this time of budget restraint and fiscal responsibility, I am bothered that the minister has chosen to spend the taxpayers' hard earned money with such a redundant position merely to add prestige and political significance to environmental issues. Such redundant spending is common among most Liberal ministers. It will only be a matter of time before Canadians come to the realization that to achieve a new and more environmentally sustainable Canada a different party must come to government.

In closing, I cannot support the Bloc amendment. Bloc members continue to whine about preserving provincial jurisdiction while at the same time the Quebec provincial government creates overlap after overlap. The fiscal consequences for the poor people of Quebec due to the separatists' colorations and manipulations of public policy are very serious. The amendment adds nothing positive or helpful to a poor bill and therefore I cannot support it.

• (1755)

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, to put this amendment into perspective, I would like to pay homage to the hon. member for Frontenac and the hon. member for Terrebonne. They participated in the work of the committee which produced a report over a year ago proposing the measures contained in this bill, namely the creation of the position of the commissioner for the environment and sustainable development.

Both the hon. member for Terrebonne and the hon. member for Frontenac conducted themselves in committee in a very constructive manner. In the conclusion of their dissenting report, they outlined three principles. One of the three principles reads as follows: "It is imperative that the economic and environmental aspects of federal government decisions and policies be intrinsically linked". We fully agree with that principle. We applaud the hon. member for Terrebonne and the hon. member for Frontenac for having concisely put forward such an important concept.

However, we have enormous difficulties in reconciling the political direction which was taken by the hon. member for Laurentides and her colleagues. They are running in conflicting directions. They are not reinforcing each other. The motion of the hon. member for Laurentides which is now before us dismantles and ridicules the concluding principle I have just read.

That is what the amendment the committee proposes, which the hon. member for Laurentides wants to wipe out, intends to do. It intends to intrinsically link the environmental and economic aspects of government decisions. The hon. member for Laurentides is proposing to wipe out this important concept.

This is a very sad moment. The amendment by the hon. member for Laurentides means that her party is not in favour of protecting the health of Canadians. This is what her amendment would achieve.

Her party is against the integration of the environment and the economy. This is what the amendment would achieve. Her party is against the protection of the ecosystem. That is what her amendment proposes. Her party is against meeting international obligations. That is what her amendment would achieve. Her party is against the promotion of equity. That means that her party is in favour of inequities. That is the effect of her amendment.

Her party is against an integrated approach to planning and making decisions which take into account the environmental and natural resource cost of different economic actions. That is what her amendment would achieve.

Her amendment would eliminate the principle of pollution prevention. Does that mean the Bloc Quebecois is against pollution prevention? That is the net effect of the amendment. The net effect of the amendment is to delete pollution prevention from the bill. The net effect of the amendment is to eliminate the concept of protecting the health of the public, of protecting the ecosystems and of meeting international obligations.

Finally, the net effect of the amendment is to eliminate the respectful nature and the needs of future generations. In other words, the effect of the amendment is to say that the Bloc Quebecois rejects the Brundtland report and the definition of sustainable development. As the parliamentary secretary to the House leader already asked, is that the direction the member for Laurentides has received from her leader? Is that the new political direction of the Bloc Quebecois? Or, is it perhaps that the member for Laurentides badly needs a psychiatrist to remove her obsession with federal–provincial relations, her obsession with seeing under every chair a federal monster, a federal presence which may disrupt the quiet life of the people in her riding?

• (1800)

It is absurd to say that the amendment by the Bloc Quebecois reflects the majority of thought of members of her party for whom I have the highest respect. I do not recognize in the amendment the preachings, the interventions or the thoughtful examination I have experienced when the member for Frontenac and the member for Terrebonne were members of the committee. This is diametrically opposed to what I have heard from that party until now.

I find it unbelievable that we should be debating an amendment of this nature which runs counter to everything the leader of the Bloc Quebecois said when he was Minister of the Environment and what his colleagues have said until now in support of sustainable development. There is no federal plot, I reassure the member for Laurentides. There is no fear to be had for jurisdiction because Canadians know very well that the environment does not know boundaries.

Perhaps the member for Laurentides forgets there would not be any clean up of substance of the St. Lawrence River were it not for the federal government, were it not for the intervention in the Great Lakes of the federal government in co–operation with Washington. We know very well the source of pollution in the St. Lawrence River. It emanates and originates from activities on both sides of the border well upstream. Therefore the role of the federal government in cleaning up the St. Lawrence River is of paramount importance.

The geopolitical law of gravity of water whereby rivers have to flow in a certain direction has escaped the attention of the member for Laurentides. She is more preoccupied with the federal presence than with the health of the people in Montreal and downstream. This is the obsession of the member for Laurentides when analysing and considering bills of an environmental nature.

The member for Laurentides is worried about the waste of two levels. If we do not have a federal level concerned with international relations, who will do it? We will have a Canada for the next thousand years and therefore we need a federal presence in implementing this type of legislation. Whether or not the member for Laurentides likes it, that is the political reality of today, tomorrow, the day after and for many generations to come, as the vote proved on October 30.

Turning to the Reform Party members, they seem to be engaging in a very fashionable game in the House. Unfortunately they are copying the member for Laurentides. They like to attack the minister. They find this is the greatest sport since the invention of soccer. We have news for them. The minister is the best we ever had considering the work she has done under most difficult political and economic circumstances.

Whether or not the Reform Party likes it, the minister has managed to promote harmonization on federal–provincial relations on the environment. This minister has managed to bring about an agreement on harmonization with British Columbia. It is quite interesting that the criticism is from members from British Columbia. The minister achieved that. The minister has produced the bill dealing with a commissioner for sustainable development, keeping a red book promise. The minister has engaged the Americans in consultations on the Great Lakes for the sake of the health of Canadians who live in that basin, namely the health of Canadians whose livelihood and well–being depend on the fresh water of that fantastic system.

• (1805)

The minister brought in and has before the House legislation on manganese, legislation that would remove MMT from gasoline, legislation that is opposed tooth and nail by the Reform Party on behalf of the Ethyl corporation which seems to have quite an influence on its way of thinking. We have a Minister of the Environment who has the courage to bring legislation before the House that hopefully will be approved very soon.

This is not the end of the list. The minister will provide a governmental reply to the Canadian Environmental Protection Act report of the committee of the House, which is probably one of the most difficult tasks ever faced by an environment minister who has to be concerned at the same time with the environment, with health and with the economy. That is not a minor feat for any environment minister.

Members of the Reform Party cannot appreciate that. It is only an indication of their political naivete or their political inability to understand the complexity of issues and to appreciate the complex role faced today by the Minister of the Environment. That is not all.

The Minister of the Environment has managed to put on the table the extremely difficult issue of climate change and the necessity of reducing carbon dioxide emissions in the country, probably one of the most difficult issues to handle.

It may well be it has escaped members of the Reform Party that there is a climate change issue surrounding us, one that is at least accepted and talked about by the scientific community. The Minister of the Environment has managed to put the issue on the

agenda and is right now in Edmonton discussing the matter with her provincial colleagues.

The Minister of the Environment has put on the agenda the question of the protection of endangered species, a matter which to my greatest disappointment does not have the support of the Reform Party. As recently as this morning the Reform Party opposed proposed legislation not by the minister but by a backbencher.

The Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, for more than a year, I had the opportunity to sit on the Standing Committee on Environment and Sustainable Development chaired by the member for Davenport. I have to admit that, up until about ten minutes ago, I admired the member for Davenport. Unfortunately, I discovered this afternoon, in the speech he just made, that he had a total lack of respect for my colleague, the member for Laurentides, especially when he asked her if she needed a psychiatrist.

• (1810)

It was a low blow and I think the member for Davenport should apologize. He really went a little too far. During all the time that I sat with him on the environment committee, I always noticed his honesty and his judgment as a politician, particularly in environmental matters.

It is therefore with great pleasure that I stand in this House to speak to Bill C–83, an Act to amend the Auditor General Act.

It has been a few weeks since we last talked about this bill in the House, so I should take a few minutes to review its contents briefly.

Bill C–83 amends the Auditor General Act to achieve five objectives, which I will sum up quickly.

Firstly, to ensure that environmental considerations in the context of sustainable development are taken into account in the Auditor General's reports to the House of Commons.

Secondly, to require the appointment of a Commissioner of the Environment and Sustainable Development.

Thirdly, to impose requirements for responding to petitions received by the Auditor General about environmental matters under federal jurisdiction—and I repeat it for the benefit of the member for Davenport—under federal jurisdiction in the context of sustainable development.

Fourthly, to require monitoring and reporting to the House of Commons on petitions and the extent to which departments have met the objectives, and implemented the plans, set out in their sustainable development strategies.

And finally, fifthly, to require that departmental sustainable development strategies be prepared and tabled in the House of Commons.

On a technical level, the adoption of this bill will require the implementation of a number of things. First of all, there must be an appropriate definition of sustainable development. I will come back to that later.

But I will say to the hon. member for Davenport, who got carried away a few minutes ago, that the government has been in power for two years. A sunken barge has sat in the waters between Prince Edward Island and the Magdalen Islands for 25 years now. At the end of June, we learned quite by accident that there was an important quantity of PCB tainted oil in the sunken ship. The barge has been there for 25 years and the Liberals were in power during most of that period, except for the nine years of the Mulroney government and the nine months of the Clark government.

It is easy to boast about sustainable development, but that barge was supposed to be refloated this year and nothing has been done. They chose the wrong solution because it was cheaper, but I can guarantee you, as does my colleague for Davenport, that, once the *Irving Whale* is refloated, when we get the bill the cost will be more than if we had chosen the better solution to begin with.

Sustainable development, what a trendy expression. It is useful if one wants to get reelected, of course. But why did they not apply it in the two years since their election? Of course, the Liberal Party sed up a fine committee—the Easter–Gagnon committee—that went to the Magdalen Islands and arrogantly told the people to step aside, that they would refloat the barge.

• (1815)

We can refloat it, they claimed. Give us 12 months, and we will refloat it. How much did it cost us to have the Gagnon–Easter mini caucus go around making political points?

The member for Bonaventure—Îles–de–la–Madeleine learned his lesson with the last referendum. The islands' voters showed the member who had promised to resign if the no lost in Quebec where the door was.

Mr. Robichaud: He won in his riding.

Mr. Chrétien (Frontenac): He was scared. He was so scared on the evening of October 30 that he was shaking all over. "I should never have made empty promises".

Mr. Robichaud: He won in his riding.

Mr. Chrétien (Frontenac): He won in Bonaventure, but he lost in the Magdalen Islands. Close to 60 per cent of the voters on the Islands voted against him. There is one Liberal member of the Quebec legislature, Georges Farrah, however, and one in

Ottawa, who did not even get 40 per cent. That really requires a colossal amount of nerve.

I was teaching ecology at the Disraeli comprehensive high school when several million dollars were spent there. The Liberals were not in government at the time, of course; it was the member for Sherbrooke who was acting as Minister of the Environment. He had organized a television show in prime time Sunday evening, coast to coast, paid for by the taxpayers, on the Green Plan, six billion dollars over five years. That turned into five billion over six years, and got watered down and watered down, until today no trace remains. Nobody knows what became of the Green Plan.

In the schools we showed videotapes of it, which provided our young students with some glimmer of hope about the environment and sustainable development. Now it has been junked. In the waste basket. And that is where the environmental commissioner is headed.

The intent is to water the thing down so much that it will end up in the waste basket and thousands, hundreds of millions of dollars will be spent and—

I would like to tell you about an example given by a friend from East Broughton, who said to me on the day after the referendum "It is a bit like bringing water from several kilometres away. You start with a big pipe and you end up with a tiny one at the other end; there is surface tension, leaks here and there along the way". We know what it is like in the federal pipeline system with its leaks here and there, you get to the end of the pipe and there is hardly any water coming out, no water pressure, nothing left. Everything got lost along the way.

It is the same thing we say to you, my friends across the way, "Mind your own business, but mind it well. And when something is not your business, not within your area of jurisdiction, then butt out and stay where you belong".

It is true we all breathe the same air, we all drink the same water and we all walk on the same ground. When you came to Montreal on October 27 to tell us you loved us, at taxpayers' expense, of course, we let you breathe our air. When we come to Ontario, you let us breathe your air.

This is how we want to live. So stay home, and when it is a provincial matter for Quebec, mind your own business. We are quite capable of minding our own business, better than you are.

An agreement was signed with the United States to develop the Great Lakes. It is working out fine. We get a report every two years. That is fine. It is having no effect on the United States' environment. You are not going to meddle with American environmental jurisdictions, why do you want to meddle with Quebec's? We will not tolerate it. That time is long gone.

When your jurisdictions are involved, look after them, but keep out of our space.

Having said that, I again call for an apology from the hon. member for Davenport, who showed disrespect for my colleague for Lotbinière.

• (1820)

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.

Some hon. members: On division.

The Deputy Speaker: I declare the motion negatived on division.

(Motion No. 1 negatived.)

Hon. Fernand Robichaud (for the Minister of the Environment) moved that Bill C–83, as amended, be concurred in.

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: Call in the members.

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45, the division on the question now before the House stands deferred until Tuesday, November 21, at the end of government business, at which time the bells to call in the members will be sounded for not more than 15 minutes.

Adjournment Debate

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EDUCATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, a little while ago I asked the Minister of Human Resources Development what he thought of Statistics Canada reports that Canadians with lower levels of education are having serious difficulties in the workforce. How did he see the serious, significant reduction of funds to post–secondary education and how did he think it would affect the generation of opportunities Canadians need?

Education is a right of all Canadians. Research studies suggest that technical institutes, colleges and universities offer Canadians the most fertile ground for future prosperity and a place in the workforce. In today's information economy, the job prospects of Canadians and their earnings are increasingly dependent on what they know. The success of Canadians and, indeed, of Canada's future rests on the notion of accessible and affordable post–secondary education for all who can benefit from it.

This unfortunately is not the case in Canada. With the present government's policies these crucial objectives are farther from being met than ever before.

Studies reveal that the majority of post–secondary education students originate from an upper middle class socioeconomic background. Higher tuition fees and increasing living expenses are creating huge debt loads for students and reducing accessibility for potential university and college students.

More effort, not less, needs to be directed to ensuring that young people from sections of society which are presently under represented in our post–secondary education institutions are provided with opportunities to study. Post–secondary education must be available to all Canadians if Canada is to prosper.

A recent Statistics Canada study reveals that educational requirements have risen so sharply that young Canadians now need a university degree to earn roughly as much as a high school graduate in the same age group earned a decade before. Over the same period the earnings of high school graduates decreased by about a quarter. Those without high school certificates have an even more difficult time of it.

• (1825)

Young people have lost significant ground over the last decade. However it is also important to recognize that the incomes of university graduates have grown rapidly with work experience, while high school graduates have only seen modest gains.

The broad point is that future economic growth for Canada and for Canadians will depend on how much education Canadians attain. The country and the government need to commit themselves to the notion that all Canadians have a right to accessible and affordable education. Quality education should not only be available to the rich.

Over the last 15 years under successive Liberal and Conservative governments this right has been eroded by drastic cuts to funding. Considering that only 43 per cent of young Canadians in the 25 to 29 year old age group had a high school diploma in 1993, the future of Canada's economy does not look bright unless we turn the situation around.

In 1995 university applications were down about 5 per cent on average for first year university places. This is the sharpest drop of its kind in more than 20 years. We are going in the opposite direction to what Canada needs. With nearly half of young Canadians facing a future of low or stagnant incomes, high unemployment and diminishing opportunities for full time work, we are headed toward a polarized society and an economy functioning at well below desired objectives if we do not reduce the educational deficit.

Despite all the evidence showing that higher education is a prerequisite to prosperity both for Canadians and for Canada, the federal government continues to cut funding for post–secondary education; a 25 per cent cut to health, post–secondary and social programs, the deepest cut since the second world war.

The government states that we cannot afford the cost of investing in our young people and of investing in the future. It must start listening to common sense. The government must not cut Canadians' lifeline to future prosperity. Instead it must start listening to young Canadians who want a quality future, a quality workforce and the opportunity to contribute to a quality economy and a quality society.

These drastic cuts to post–secondary education cannot be justified. Since the government has forgotten, I will remind it once again that funding for post–secondary education is a critically important investment in Canada's future. Canadians and Canada deserve better.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I should like to start by making a very clear statement: young people are very much a priority of the federal government.

In April 1994 the government announced the youth employment and learning strategy to address problems that have held back many young people from participating fully in society. By that I mean high school dropout rates have been high. There has been a lack of access to post–secondary education, work experience and effective job training.

We have moved on several fronts. We have made serious amendments to the Canada student loans program by increasing loan limits for full time students from $105 to $165 per week and by raising the yearly loan limit for part time students to $4,000. For the very first time we are offering special opportunities grants for women pursuing doctoral studies, for high need students and for persons with disabilities. We have begun to offer the programs because we saw within the federal sphere there was a void that needed to be filled and we did that. We also have Youth Services Canada and youth internship programs. Combined they have had a positive impact on the lives of over 30,000 young people.

These measures speak to how the government, the federal Government of Canada, has been able to address key concerns and issues affecting young people.

This is only the beginning. We realize that the future lies within our young people, within future generations. For this reason we have combined all these tools so that the future for the country and for future generations will look bright.

We have also made some headway in youth entrepreneurship programs that have helped young people acquire the proper skills, not to mention the important measure taken this summer of creating over 44,500 jobs through our summer job action plan and the spinoff from the Canada employment centre for students which was over 175,000. The commitment of the government as far as youth policy is concerned is crystal clear.

• (1830)

DOMESTIC VIOLENCE

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, a number of years ago Nellie Nippard was stabbed 33 times by her husband and left for dead. By some miracle Ms. Nippard survived and today works with the women's organizations in Newfoundland.

Just two years ago another woman, Brenda Young, suffered multiple stab wounds at the hands of her boyfriend while her two young children slept in the other room. Unfortunately Ms. Young did not survive her attack.

Both of these women are from my home province of Newfoundland. One of them lived in my riding of St. John's East. The violence they endured was extreme but unfortunately it is not rare.

There are thousands of women in Newfoundland and across the country who live in fear and are subject to violence. In spite of the good work and good will which exists across the country for enhancing the security and safety of women, the violence persists.

Statistics show that more than half of all women in the country have experienced at least one incident of violence, as defined under the Criminal Code, in their adult lives. Twenty–five per cent of women have experienced violence at the hands of a current or past marital partner. On average, a woman is killed every six days in Canada, often in a private home or by someone she knows.

Women make up 59 per cent of all homicide victims killed in a domestic relationship. Forty–two per cent of women surveyed in 1993 reported they felt unsafe walking in their neighbourhood after dark, over four times the figure of men.

Despite the statistics, some cling to the belief that the problem is not that bad or dismiss it as a women's issue. This problem needs to be addressed. The eradication of violence against women can be accomplished only with the full partnership of all members of society.

This can no longer remain a women's issue. Violence against women affects us all. When women are abused there are costs to the victim, the family and to society. Taxpayers pay significant sums of money in medical costs for doctors, hospital emergency wards and medical health clinics; in criminal justice, costs for police services, courts and corrections; and in social service, costs for welfare, housing and daycare. As well, employers pay for violence against women in higher absentee costs and low productivity rates.

The most recent example of how violence against women affects more than just the victim was raised in the Newfoundland Select Committee on Children's Interests. The committee has been holding public hearings across the province. It heard from the administrator of the Iris Kirby House, a women's shelter in my riding, about how devastating domestic violence can be for our children.

The committee heard how children who witness family violence show signs of low self–esteem, which leads to a lack of self–confidence and a feeling of insecurity. As these children get older, depression, withdrawal and pessimism set in, leading to suicidal tendencies, drug dependency and emotional instability.

These children often do poorly in school because they have difficulty concentrating, are frequently absent and show behavioural problems. Also, research shows that children who witness violence in the home are more likely to live in a violent relationship in their adult lives.

We are approaching December 6, which some may not realize is the national day of remembrance and action on violence against women. It is a time for us to pause and remember the 14 women who died tragically at the Ecole Polytechnique in Montreal six years ago. As important as December 6 is, we need more than just one day of awareness about violence against women. We need to take action on a daily basis.

We need to continue to provide support and funding for the various women's shelters and treatment programs which provide cost effective support and services.

I know the government has taken action over the past two years to address the issue of violence against women, but I would like the parliamentary secretary to assure my constituents and all Canadians that this is and will continue to be a priority of our government.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I thank my colleague for articulating the situation very well.

I assure her that in the past two years the government has taken many concrete and positive steps toward reducing and preventing violence against women and children. Our strategy is multi–faceted just like the problem of violence which is particularly costly socially, psychologically and economically to our society.

[*Translation*]

We also took a number of legislative measures, starting with the firearms bill.

I wish to urge the members of the other place to pass this bill immediately. They cannot remain insensitive to the distress call sounded by the families of the victims of events at the École polytechnique and by the individuals my hon. colleague just mentioned. Two thirds of the people killed by their partners are women and one third of all victims of homicide are women.

[*English*]

We have introduced amendments to the Criminal Code to make peace bonds more effective in keeping abusers away from women and children. As of January 1, 1996 Bill C–41 will require tougher sentences for crimes involving abuse of trust or those motivated by gender based hate.

The government supports community based solutions. For example, more than 2,000 projects have been funded through the family violence initiative, which has been extended for another year. Status of Women Canada has made available community kits on violence against women, a step by step guide to community action. I hope many communities will write in to get copies of it and use it, as many have already done.

At the recent fourth United Nations world conference on women in Beijing Canada was active in securing strong wording on violence against women. The final agreement states that violence is never a private matter, that the state has an obligation to legislate against violence against women and to prosecute and punish those who commit violence.

In the interest of our women and our children and the men in our society we must reduce violence in our society. In Canada the government is working to fulfil that obligation.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.38 p.m.)

HOUSE OF COMMONS

Tuesday, November 21, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House a report from the Canadian branch of the Commonwealth Parliamentary Association concerning the 41st Commonwealth Parliamentary Conference in Colombo, Sri Lanka from October 3 to 13, 1995. It is tabled in both official languages.

* * *

PETITIONS

INCOME TAX

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. This particular petition has been signed by a number of Canadians from Edmonton, Alberta.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

• (1010)

[*English*]

POINTS OF ORDER

STANDING ORDER 109

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I rise on a point of order, notice of which I gave the Chair this morning.

This point of order concerns the government's disregard of Standing Order 109, under which it is required within 150 days of the presentation of a report from a standing or special committee to table a comprehensive response.

On June 20, 1995 the Standing Committee on Environment and Sustainable Development presented its fifth report concerning its review of the Canadian Environmental Protection Act in the House of Commons. According to Standing Order 109 the deadline for the government to table its response to this report was yesterday, Monday, November 20. As of today, Tuesday, November 21, the government has not tabled its response and has given no indication of when it might do so.

Mr. Speaker, on April 19, 1993 your predecessor ruled on two questions of privilege raised by the members for Scarborough—Rouge River and Winnipeg South Centre relating to the issue of the late tabling of documents. In his ruling the former Speaker had this to say:

I find the situation particularly disheartening—There are people in departments who are supposed to know these rules and are supposed to ensure that they are carried out.

In both of these cases the government failed to do so until after the matter was brought to the attention of this House—

As members are well aware, the tabling of documents constitutes a fundamental procedure of this House.

It is part of our rules and ensures that members have access to the information necessary to effectively deal with the issues before Parliament.

Your predecessor ruled that the Standing Committee on House Management should examine the issue of late tabling and the House agreed to such a motion moved by the member for Scarborough—Rouge River.

Consequently, the committee tabled its report on this matter on June 17, 1993.

The committee report stated:

The Speaker's ruling clearly sets out the issues involved.

There are provisions in the Standing Orders of the House as well as many statutes passed by the House that require documents to be tabled in the House within certain time periods.

Non-compliance with a deadline set out in a statute or the standing orders is a serious matter. It constitutes a breach of law, or a rule of the House.

The committee believes that the statutory and procedural time limits must be complied with.

I continue to quote from the committee's report:

If a document cannot be tabled within the prescribed time, the responsible minister should advise the House accordingly before the deadline; it is not acceptable that the deadline be ignored.

It may be that the time periods set out in the Standing Orders and certain statutes need to be reviewed and, where necessary, amended.

Until this is done, however, it is essential that the deadlines be respected.

Therefore, Mr. Speaker, I rise today to ask that, as the committee that studied this matter recommended, until these time limits can be reviewed, you rule that the government should immediately table its response to the fifth report of the Standing Committee on Environment and Sustainable Development as required by Standing Order 109.

The Deputy Speaker: I thank the hon. member for The Battlefords—Meadow Lake for putting his point so succinctly.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I just discovered the situation the hon. member has described a few moments before the sitting opened. Had I been aware of it beforehand, certainly I would have made inquiries in order to provide him with more detailed information for the reason for the apparent lapse in the filing of this document on time.

I assure the hon. member I will take the matter up with the Minister of the Environment and make inquiries as to why there has been this apparent delay in the tabling of the report.

I thank the hon. member for drawing the point to the attention of the House. The comments he makes with respect to the application of the rule and its importance to the workings of the House are extremely apt and timely. I do not disagree with his suggestion in that regard.

I will have to look into the facts surrounding the preparation of the government response to the report and get back to the hon. member and to the House at the earliest possible time. I hope to be in a position to do that shortly after question period today.

The Deputy Speaker: The Chair will take the matter under advisement and thanks both members for their submissions. I will expect the hon. parliamentary secretary to report back to the House as indicated earlier today on this matter.

• (1015)

STANDING COMMITTEE ON FINANCE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. I think you might find disposition on the part of the House to give unanimous consent to the following motion. I am sorry I was not ready to present it at the appropriate time in Routine Proceedings. I move:

That, notwithstanding the provisions of Standing Order 83(1), the Standing Committee on Finance may make an interim report on the matters referred to in the said standing order no later than December 12, 1995 and may deposit its final report thereon with the Clerk of the House on January 17, 1996.

I understand there have been various discussions among the parties in respect of the motion and agreements reached in the Standing Committee on Finance. It is the intention of all parties that those commitments be fulfilled in respect of the adoption of the order.

(Motion agreed to.)

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—CANADIAN AEROSPACE INDUSTRY

Mr. Jean-Marc Jacob (Charlesbourg, BQ) moved:

That the House condemn the government for having dropped the Canadian content requirements in the contracts for the purchase of military equipment and refusing to set up a genuine program for the conversion of the military industry, thus endangering the Canadian aerospace industry located in Montreal.

He said: Mr. Speaker, my remarks in support of the motion I put forward will certainly go beyond this motion concerning the latest statements made by the defence minister and the Department of National Defence about the acquisition of certain pieces of equipment.

First of all, this motion condemns the government for having dropped the Canadian content requirements in the latest helicopter contract announcement, when this condition was clearly respected and even required in previous contracts.

I started by reviewing how this matter had evolved, a situation that has prompted us to table this motion. During the summer, the minister of defence announced the acquisition of British submarines, which were to cost $1.6 billion excluding maintenance, staff training, and renovations.

An hon. member: We did not buy them.

Mr. Collenette: You are still dreaming.

Mr. Jacob: Just one moment. I see that the department is reacting rather quickly, and I will give you enough time to respond. Allow me to continue.

Given the population's strong, I would even say violent, opposition to the purchase of these submarines, they came back with a new formula. The cost of the submarines went down to $500 million with ill–defined exchanges of training time. Again, there is uncertainty.

The minister announced at the time that negotiations had not started and would be postponed. They waited until the middle of August, while it was still summer, before telling us that they had bought new armoured personnel carriers for our Canadian soldiers.

We see that the Canadian content is very high. The contract was awarded without tender to a London, Ontario, company, a General Motors subsidiary, for the manufacture of armoured personnel carriers. I then said on behalf of the official opposition that buying new armoured personnel carriers was a waste of money when we already had over 1,700 of them in stock and when only about 215 or 218 were used for the most part during the mission in Bosnia.

• (1020)

The minister had indicated at the time, during special joint committee hearings, that a report had been prepared and that the Bloc Quebecois agreed with the procurement of these armed personnel carriers.

Unfortunately, I do not think that the minister bothered to read the Bloc's dissenting report, because this report, drafted by the Bloc Quebecois members of the Special Joint Committee on Canada's Defence Policy, clearly stated that, in our view, buying new APCs for better armour protection was only justified if Canada and its peacekeepers were to continue to take part in warlike actions and armed conflicts.

My understanding, based on what was discussed at committee and elsewhere, was that a review of Canada's peace effort was contemplated and that we would only participate in missions that did not involve the use of weapons, as was always the case in the past for our peacekeepers. It seems very clear to me that, if the nature of peace missions was to be changed to focus again on peacekeeping—the kind of missions the Canadian Armed Forces have always being involved in and carried out remarkably—there would be no point in having APCs with improved armour since our role would have changed. That was clearly stated in the Bloc's dissenting report. In this regard, the Bloc Quebecois always stood by its policy, remaining steadfast, regardless of what the minister and his department might say.

Coming back to the history of the tendering for APCs, a certain company was awarded without tender the $2 billion armoured vehicle acquisition contract.

From then on, nothing could be done. When the government makes a decision without taking into account the fact that we oppose the acquisition of armoured personnel carriers and awards the contract, since all members have the duty to look after the interests of the people they represent in their region or province, we ask that the government at least acknowledge the existence, in Quebec, of a company whose expertise in manufacturing armoured vehicle turrets is internationally recognized and we even go as far as demanding that the contract and economic benefits be split.

Shortly before the referendum, as I recall, the Minister of Intergovernmental Affairs had sent a letter to Oerlikon stating that it would, of course, be considered for a later turret manufacturing contract with GM. Later, we learned that there were no dealings between GM and Oerlikon and that it was out of the question for GM to be forced to go with Oerlikon. The turrets can easily be ordered from the U.S. They had no qualms making this kind of statement. This reminds me that all this love expressed before the referendum now appears to be dissipating like some sort of vapour blown away by the wind.

I would like to add, regarding this famous armoured vehicle renewal contract, that this is another instance where there seems to be something of a double standard. As far as the work to be carried out in Quebec is concerned, no problem, no requirements need to be set. On the other hand, for those vehicles to be overhauled in Chatham—because Chatham was affected by base closures—the minister said the part of the work on the 450 armoured vehicles must be carried out in Chatham to offset the losses caused by the closure of CFB Chatham.

Strangely enough, there is no infrastructure whatsoever in Chatham to support the repair and overhaul of these vehicles. This means that subsidies will have to be granted, as this was done—as several members probably remember—for the Canadian patrol frigates, since Halifax did not have the basic infrastructure required to build the frigates. Between $350 million and $360 million was spent in subsidies to put the

infrastructure in place so that the shipyard could secure the contract.

• (1025)

A competitor for MIL Davie, in Lauzon, which had the required infrastructure to execute the contract, appeared out of thin air. Something similar is happening now. When there is a closing in a place such as Chatham, some compensation must be made through economic spinoffs. Consequently, the government requires that the upgrading of the 450 armoured personnel carriers be done in Chatham.

As for the closure of the military college in Saint–Jean and the downsizing at the military base in that municipality, the government should use the same approach, avoid any double standard and say: "Yes, the Saint–Jean region was adversely affected. Consequently, since Oerlikon is located in the area, we should tell GM that a portion of the armoured personnel carriers contract ought to be awarded to Oerlikon". But no.

The minister tells us that he cannot get involved in the discussions going on between the companies. If this is the case, why is it that he can require that part of the upgrading be done in Chatham, where there is no existing infrastructure, but cannot do so when a similar situation occurs in Quebec?

I now move on to the helicopter issue, more specifically the recent announcement made by the defence minister concerning the acquisition of 15 search and rescue helicopters. During the review of Canada's defence policy, the Bloc did agree with the acquisition of search and rescue helicopters.

However, it did not agree with buying armoured personnel carriers and submarines and this is clearly stated in the dissenting report. It might be worth taking a look at that document, so that we are not accused of being inconsistent. The fact is that we did show consistency in our approach to this issue.

In the case of the helicopter contract, there is again some sort of a double standard. There is really no Canadian company that builds search and rescue helicopters similar to the Labrador. You have to go to Boeing with the Chinook, Sikorsky with the S–70, Eurocopter with the Cougar, and Agusta–Westland with the Cormoran, as well as another Russian company.

In Quebec, there is Bell Helicopter. This Quebec company, Canadian company builds helicopters that do not quite meet the requirements of the defence department for search and rescue helicopters. Therefore, the minister decided to call for tenders. Since no Canadian company builds these helicopters, a call for tenders can be made. No Canadian content requirement has to be met. Yet, in the case of these helicopters, we could, given the existing infrastructures, have part of the contract executed by a Canadian company, or at least demand that this be done, as in the case of Chatham, or in the case of GM, in London.

As mentioned by the special joint committee in its discussions on the procurement policy, the government is adamant about calling for tenders, to save money. However, if you use that approach, you have to do it all the time and in a consistent manner, regardless of which industry is involved, or whether that industry is located in Quebec or in Ontario. It is difficult to see any consistency in the approach used by the department, since it applies a given measure in one case and different one in another situation.

Let me give you another example. By calling for tenders the defence minister is saying, we do not trust our Quebec companies. Bell could bid to provide a portion of the helicopter's equipment, and Oerlikon could bid to build the turrets of the armoured personnel carriers. We want some Canadian content and we want to award contracts to existing companies, but the minister tells us that we do not trust our companies.

• (1030)

It seems to me that he has a funny way of showing his lack of confidence in Ontario companies, since in the past five years the federal government has awarded more than $3 billion worth of contracts in Ontario without any bidding process.

I would like to see the same rule apply. If Canadian unity and the federal government are so profitable to the provinces, let them put their money where their mouth is. As far as I am concerned, the only thing they are giving is one more demonstration that, in the case of Quebec and, I might add, some other provinces as well—Parenthetically, let me add, in connection with the base closures in the west and the expansion of the base in Edmonton, when you evaluate all of the costs of closing and reconstruction, there are no savings; it will cost $60 million more.

There are some unkind souls who would say: "Tough luck for those living west of the Rockies, west of Edmonton, because they had the misfortune of voting Reform and this is when the bases got cut in their region". I am beginning to realize that this is a kind of repeat performance: if you do not vote for the Liberals, you pay for it afterward.

If that is how Canadian unity is created, I am even more anxious for Quebecers to finally wake up to the reality. I have the impression that perhaps our colleagues in the West might appreciate that too, at some point.

Mr. Lavigne (Verdun—Saint–Paul): Like in Northern Quebec?

Mr. Jacob: The comments of my colleagues across the way are most amusing.

To continue, I would like to add that, during the defence policy review, we discussed procurement policy. A degree of agreement was reached that National Defence ought in future to purchase from companies already equipped with the necessary expertise and infrastructures, in order to make optimum use of the taxpayers' funds.

Here again, in the Bloc's dissenting report, reference was made to certain situations in which it had been found that there had been overruns, sometimes extremely substantial, and that the construction of certain plants had cost the taxpayers dearly. I referred earlier to the fact that Halifax got infrastructure subsidies in order to obtain the frigate contract. Under such circumstances, the costs are definitely greater.

Except where it would be more profitable to acquire systems already available within Quebec or Canada, I am convinced that this procurement policy is a good thing, nevertheless.

We must, however, avoid simplistic analyses of the situation. In some areas of activity, there are Canadian and Quebec firms which are totally competitive and competent and, contrary to some people's desire to see all defence spending curtailed or totally abolished, I feel that it is definitely necessary. The defence industry, whether in Quebec or in Canada, includes certain high tech jobs I feel are very important, if not vital, for certain regions, whether in Quebec or in elsewhere in Canada.

However, as I said right at the start, it is important to have a procurement policy but it must be applied consistently, whether in a given sector within Quebec or elsewhere in Canada, the Maritimes or Ontario for instance.

In the dissenting report, reference was made to the necessity of our immediately opposing abandonment of the regional redistribution policy, because it might serve the interests of Quebec businesses in coming months.

• (1035)

The systems whose manufacture is currently in the planning stages call for technical expertise located outside Quebec, whereas the opposite situation has prevailed in the past.

For this reason, Quebec may well find it increasingly harder to secure its "fair share" in future. It is unthinkable that a policy that has been a barrier for Quebec in the past could be terminated now, at a time when it could be invaluable.

That is what we said in the dissenting report prepared by the Bloc Quebecois. When the minister says we agreed, we did have certain reservations. The minister says we agreed with the purchase of armoured personnel carriers, but we had certain reservations and as far as the submarines were concerned, we were definitely against that purchase.

I may add that at the Department of National Defence, at Defence headquarters, there is a policy for defence procurement. It is dated June 1995. This is not old stuff. This is an internal document circulating within the department.

Here is one item that states: "Contribute to long term regional and industrial development and to achieving relevant national objectives".

This is another one: "Priority shall be given to products and services that are respectively manufactured and provided in Canada and to certain other products and services if there is sufficient competition".

During the 1993 election campaign, the Liberals often referred to a defence conversion program, and in fact this was part of the Liberal Party's wonderful red book. They have now been here for two years, and I wish someone would show me an example of defence conversion. In any case, it certainly did not happen in Quebec. If it did anywhere else, it was a well-kept secret. Maybe in the maritimes because I vaguely remember that at some time, the Minister of Supply and Services tried to take a certain amount from the Department of National Defence for some industry.

Unfortunately, in every case the defence conversion program proposed by the Liberals—and unfortunately people often call this having a selective memory—when the Bloc Quebecois approved the cancellation of the EH-101 helicopters, that approval was conditional on the implementation of a thorough and practical defence conversion policy.

It has now been two years and nothing has transpired. Some of my colleagues will expand a little on the DIPP and the new development fund for defence conversion. Let us face it, this is a worldwide phenomenon. Since the end of the cold war, the defence industry has not been in the best of shapes. Just in Quebec, in the past five years, deliveries of defence products have declined by 48 per cent.

This means Quebec has lost nearly 30 per cent of the jobs connected with Canada's defence industry. Neither the policy nor the promises in the Liberal Party's red book with respect to defence conversion specify how this is supposed to work.

Several times the minister of defence told us that his budget had no money for defence conversion and that it was the responsibility of the Department of Industry. In the red book it was put very clearly, but we have seen no results. When we in the Bloc point out that certain expenditures seem to be a waste of money and the government goes ahead anyway, we have no choice but to ask the government to apply the same economic spinoff policies it applies to Ontario or the maritimes but not to Quebec.

• (1040)

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the 1994 White Paper on Defence, published last December provided a mission statement for the basic roles of the Department of National Defence and the Canadian Armed Forces in a post cold war context.

The Department of National Defence's mission is to protect Canada, to help keep the peace in the world and to promote Canada's interests abroad.

Policy focuses on keeping the armed forces versatile and combat ready, buying the broadest possible range of military options at a reasonable price in Canada. Maintaining the forces enables us to carry out our major defence roles, that is, of defending Canada and North America and contributing to world security.

The defence policy responds to pressing needs to reduce federal government expenditures in order to resolve Canada's serious financial problems. Defence programs, arising from the 1995 federal budget, are totally in keeping with the policy set out in the white paper. Military expenditures will be brought below $10 billion over this year and the coming two years. Even though the $1.63 billion reduction over this period represents a 14 per cent reduction in absolute terms, the department will in fact lose more than 18 per cent of its purchasing power. I see this as a victory.

Our budget has been cut. We will nevertheless take a number of measures to increase the forces' operational capacity. For Canadian forces to be able to retain their combat potential they will be provided with indispensable equipment such as the armoured personnel carriers the government has just announced. I noted that the hon. member spoke a lot about armoured vehicles and I will come back to this a little later on in my speech.

The acquisitions program will focus on extending equipment life whenever it is cost effective to do so. Only equipment vital to maintaining Canadian forces capability will be acquired and procurement will be off the shelf whenever possible.

[*English*]

Let us talk about this whole question of off the shelf procurement and why it makes sense. I would like to dispel a number of myths that have developed about off the shelf buying which have appeared recently in the press, certainly in the press in the province of Quebec.

It is a great oversimplification to think of off the shelf buying as getting something that is all packaged and ready to pluck from a local hardware store. The department of defence has been developing and putting into practice a much broader concept of an off the shelf acquisition process, one that incorporates elements of a much simplified, less prescriptive acquisition approach. This process can be viewed as buying better and buying smarter in a more businesslike fashion in acquiring goods and services. It maximizes the use of existing industry products, practices and technologies.

The underlying rationale for this approach is an attempt to reduce costs in buying and supporting equipment. Clearly off the shelf acquisition is good for taxpayers since it does reduce costs and puts our limited money where it is needed most. It is good for soldiers, sailors, airmen and airwomen because it quickly gets the needed equipment to them and ensures we have combat capable forces.

My colleague the parliamentary secretary will talk a little about the former practices of developing ideas, concepts, specifications, the contracting process, Treasury Board approval and how long it takes. He will talk about that from the perspective of being a former naval officer, about what it means to the men and women in the forces in relation to the delay in getting equipment.

Off the shelf procurement is good for industry. Canadian industry, especially in the aerospace sector, is now quite mature, has good capability and can compete with the best in the world.

[*Translation*]

I am surprised by the attitude of my colleague opposite, by his lack of confidence in the Canadian aerospace industry, which is located in the province of Quebec. He has no confidence in his own industries, in his own province. This is further evidence of the repressive mentality of the separatists and the sovereignists, which views Quebec as poor and fragile. I for one do not accept this argument.

• (1045)

[*English*]

In the recent past there has been an increasing emphasis within defence on off the shelf acquisitions. Basically we are trying to do a number of things. Wherever possible we try to purchase equipment where the performance has been demonstrated in the field. We try to evaluate carefully the cost of marginal increases and the capability of new equipment. We try to avoid unique Canadian solutions that require expensive and risky research development or modification of existing equipment. It sounds to me like that is not a bad idea.

In other words, we in defence and in the government at large are becoming smarter buyers. We are maximizing the purchase of what is already available to meet defence requirements. We think this is essential for the Canadian forces because it provides our troops with the necessary equipment in a timely and cost effective manner. We have been very consistent in moving toward a greater alliance on off the shelf procurement.

[*Translation*]

In its 1994 report, the Special Joint Committee on Canada's Defence Policy—I see that the hon. member was on this committee—recommended that the procedure for buying military equipment be simplified. The committee called for a commitment to buy off the shelf military equipment and to avoid complex procedures for buying custom made products. The report also said that DND's acquisition policy should emphasize off the shelf products.

Favouring off the shelf equipment does not mean that DND will not consider the need for regional industrial benefits in Canada, but there will be times when it is totally appropriate from an economic point of view to buy commercially available products. DND will certainly not want to needlessly increase procurement costs and pay for extra work in order to provide regional benefits.

It is very interesting to note that, in his contradictory comments on the report of the Special Joint Committee on Canada's Defence Policy, the hon. member from the Bloc stated that procurement cost overruns are due in large part to the Canadian content restrictions, for which taxpayers had to pay more because the existing industrial base could not meet the needs.

What you have here is a glaring contradiction. What the hon. member said today contradicts his Bloc colleagues' minority response to the report of the Special Joint Committee on Canada's Defence Policy, as well as all the sovereignist arguments we have heard in recent months. They are always contradicting themselves.

[*English*]

I want to deal with one of the real canards—we use that in English, but we do not use it in French in quite the same way—the hon. member has thrown on the floor of the House of Commons: this notion that the province of Quebec is once again subjected to terrible things by the federal government, in this case in the area of defence.

Quebec has about 25 per cent of the population of Canada. About 20 per cent of total defence expenditures are spent in the province of Quebec, not quite the 25 per cent. However, when it comes to capital purchases it is about 27 per cent. That is because much of the defence industry in this country is located in the province of Quebec.

The hon. member, as I said earlier, does not seem to have confidence that the industry in his own province can compete in the case of the search and rescue helicopters and in the case of the armoured personnel carriers. He gives the impression that the armoured personnel carriers are going to be totally and absolutely built, every bolt, every part, in London, Ontario. That is crazy. He knows that is not the truth.

The GM diesel division in London, Ontario assembles—and it does a very good job—the armoured personnel carriers, but most of the parts, the motors and other equipment come from other places. Guess what? Some of those places just happen to be in the province of Quebec, but he would not admit that because he does not have faith.

• (1050)

This is one contradiction we see in the separatist argument, whether it is on national unity or on something like defence. They do not have confidence in themselves. They do not have confidence in what Quebec has attained within Canada. The aerospace industry is primarily situated in the province of Quebec, and it does a pretty good job. We recognize that. However, it would be nice if somebody like the hon. member and his party, the Bloc Quebecois, would recognize and have confidence in their own industry.

Let us talk about how Quebec has really been put under the thumb in recent years. One of the few things the previous government did that I could support was direct a contract to Bell Helicopter in Montreal. The hon. member stood a few minutes ago and lambasted us for directing the contract to General Motors diesel division. The Tories did that, and guess who the beneficiary was? It was Bell Helicopter. The condition was that they would build a brand new plant in Mirabel. I have been through the plant and I have been on the new Griffon helicopters, and they are outstanding. That is technology that is in Quebec. The hon. member does not recognize that. It was a $1.2 billion contract.

[*Translation*]

A $1.2 billion contract was awarded to a Quebec company, Bell Helicopter.

[*English*]

Why? Because Bell Helicopter agreed to establish this plant as the prime builder for certain lines of helicopters. It gave the world product mandate to Bell Helicopter in Montreal.

General Motors of the United States has done the same thing in Ontario on armoured personnel carriers and with diesel locomotives. The diesel division of General Motors has a world product mandate.

The hon. member could be mired in the isolationist, regional politics of Quebec and of the past grievances, but I think even the sovereignists in Quebec have to appreciate that the world has changed, that we are competing globally, competing in a North American free trade environment.

After making very painful adjustments, which hurt Quebec and hurt Ontario in many of the manufacturing industries, Canada is now starting to see some light. It is companies like General Motors and Bell Helicopter and a raft of others that are getting the world product mandate for particular equipment,

systems, and technologies that will be the future of Canada and the future of Quebec.

The hon. member has consistently attacked the government defence policies with respect to closures.

[*Translation*]

It is not true to say that the closure of the Collège militaire royal is the only closure in the country under the budget of two years ago, it is not true.

It is very difficult as a Liberal minister to close bases in Cornwallis and Shelburne, Nova Scotia and elsewhere in the province, in Ottawa and Toronto and in Chatham, New Brunswick. It is very difficult to close these bases. We closed 30 bases across the country, but the word is the government closed only the Collège militaire royal in Quebec. It is not true. This is another example of selection of incorrect information.

In the last budget, we announced the closure of the base in Chilliwack, British Columbia. One of the measures is to move a school—where, you ask—to the Saint–Jean base in Quebec. Oh no. The poor people of Quebec do not get their share of military installations. Not true. We moved the cadet and recruit school from Cornwallis to the Saint–Jean military base, to the big complex, the big building. We moved this school, and, in the last budget, we announced the move of the Chilliwack school to Saint–Jean.

• (1055)

He talks about the expansion of the base in Edmonton, Alberta, as a major base. I know you are very interested in this base because you are a member for Edmonton. This is logical.

The hon. member neglected to tell the House that we expanded the Valcartier base, in his own riding. It is a big, big undertaking. He is well aware that a lot of buildings went up and that there was a lot of construction in his riding, but he forgets to mention it. It is a political issue, because Quebec is always the victim in the Canadian yoke. Not true.

[*English*]

What we see here are inaccuracies, half truths, a selection of facts that do not add up with what we have done.

They want to talk about French speaking Canadians in the armed forces. About 30 per cent of the army are francophones. About 27 per cent of our officer level are francophones. We have had no trouble recruiting for the Royal Military College in Kingston.

The debate we had was interesting. My good friend, the hon. member for Kingston and the Islands, has successfully worked with local officials in Kingston to expand the college.

[*Translation*]

I am proud as a Canadian to visit the Royal Military College in Kingston and to see that it is bilingual. It is an institution that is not in the province of Quebec, but it is entirely bilingual. Every day, both English and French are spoken there. The atmosphere is very Canadian, bilingual, and I think it came about as the result of a decision to concentrate everything in Kingston.

However, I am told the hon. member for Charlesbourg visited the college with a colleague and was disappointed. He was really disappointed, because he could find nothing to criticize. He spoke with young soldiers and cadets, and everyone told him things were fine there.

We are well aware that it is not exactly the province of Quebec. We know that Kingston is primarily an English city, but it has a very warm welcome for francophones. The mayor and the people of Kingston, the people at Queen's University and all of the institutions made a real effort to welcome francophones to Kingston.

He was really disappointed. I am told he saw no problems. He was exasperated, because he would criticize the closure of the Collège militaire royal in Saint–Jean daily in the House, and when he visited the college in Kingston, he realized that his criticism was unfounded.

[*English*]

We have here yet another example of the separatists coming to the House and provoking people's emotions. Every night on the news in Quebec we saw stories of how this was terrible, that this particular decision, which was taken for logical financial reasons, was somehow anti–francophone, anti–Quebec. That is not the case.

I encourage any member to go to the Royal Military College in Kingston and speak to francophones from Quebec. They will tell you the atmosphere is welcoming and is conducive to study and conducive to building a great nation with two official languages. That is the by–product of a very tough decision. We do not get that when we listen to the speeches of the hon. member. Somehow the closing of the Collège militaire royal was the only thing that happened in the defence budget that year. The fact is we announced close to $7 billion worth of actual and projected cuts including the cancellation of the EH–101.

• (1100)

I want to talk for a few minutes about the acquisition program. We are well on target. We have announced the armoured personnel carriers. We have announced the search and rescue. We have not addressed the other two major procurements in the white paper but those will be addressed one way or the other.

The hon. member talks about submarines. How many times does a person have to repeat that the government has not made a decision on whether or not to buy the submarines? If we decide not to, then we will announce it. Then the hon. member will be happy but I am sure he will find something else to criticize. He is

using this as something with which to whip the government and it is not based on fact.

I say with great respect this motion certainly does not reflect the actual situation in the country with respect to procurement, with respect to Canadian content and with respect to defence policy.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, no questions but a few comments.

When the minister says there are contradictions in what we say, I am sorry, but I think that the problem here is with understanding and interpreting what was said. When I said earlier that there were extra costs for Canadian and Quebec taxpayers, this was when there were no infrastructures, as in the case of the Halifax shipyard for the frigates contract. When the infrastructures are there, I made it clear that it is possible, and I said that as well, to save money by going on the market.

When the minister accuses us of bad faith or putting a spin on certain things, I think he is very good at that himself, because, when I made the comparison with Chatham, where the military base was closed—in fact I read what the Premier of New Brunswick had to say about that—the minister compensated by ordering repair work to be done in Chatham. Because the base was closed, the order was given, in this case. In other cases, it was not.

I also mentioned several times that the Liberal Party's red book referred to defence conversion, but neither the minister nor anyone else ever brought this up. When we talk about procurement and we say that Quebec is not getting its fair share, I do not see why, if the infrastructures are there, we should not get the same treatment as everybody else.

Finally, yes, I did visit the Royal Military College in Kingston but the experience did not exasperate me, not at all. This is another wrongful interpretation by the minister. I thought it was a very beautiful location, except there may have been a conscious effort to sugar coat this bitter pill, but it is a nice place, and I did not come back exasperated, not at all.

Mr. Collenette: Mr. Speaker, I forgot to say in my speech that in the point that raised by the hon. member, the reference was to Chatham, New Brunswick.

We made the announcement that there would be some work done in Chatham, because closing that base was more difficult than anywhere else in Canada, but he again forgot to say, and it is only normal that he should forget, that in our announcement we also said that most of the armoured personnel carriers would be repaired, restored and overhauled in the National Defence workshops in East Montreal.

[*English*]

In other words, he talks about the small benefit of 270 person years and about $50 million that is going to Chatham, New Brunswick. However he does not talk about the $400 million and all the jobs that are going to be preserved in the east end of Montreal. The people in the east end of Montreal knew what defence did. When the votes came in on referendum night we saw that the no vote was strong in the east end of Montreal, contrary to the predictions made by the hon. member's party.

• (1105)

We have a good story to tell. I only hope that in the future the hon. member will admit to some of the great things we are doing in Quebec, such as continuing the very competent workshop in the east end of Montreal and the preservation of all those jobs.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, it is an honour and a privilege to stand today on behalf of the people of Okanagan—Similkameen—Merritt and all Canadians in opposition to the Bloc motion. I find it strange that the hon. member for Charlesbourg just a few short weeks ago was soliciting members of the Canadian Armed Forces to join a new Quebec armed forces and today he is actually trying to appear to be concerned about the Canadian Armed Forces. It is quite frightening to see this type of motion. I urge the hon. member to seriously read section 62 of the Criminal Code and reflect on his actions of a few short weeks ago.

I also take this opportunity to voice the outrage of Canadians over the mismanagement of the defence portfolio by the Liberal minister. Her Majesty's Loyal Opposition has its own provincial angle on this issue, one which is largely out of touch with that of the majority of Canadians, despite the Bloc's sacred title. The Reform Party, the de facto opposition party in the House, opposes the motion put forward today by the Bloc Quebecois because grassroots Canadians want value for their tax dollars.

Canadians have told us that Canada desperately needs to replace its aging military equipment with new equipment which can meet a certain set of performance criteria. We need to buy this equipment off the shelf so that we can purchase the best equipment with our taxpayers' dollars. I support and I am determined to fight for the removal of all measures which are designed to insulate industries from competition.

Canada is over $550 billion in debt. Much of our equipment is older than the military personnel using it. We can no longer play

the regional development game when our armed forces need new equipment within the current environment of fiscal restraint.

This does not preclude Canadian companies in the Canadian province of Quebec from bidding on military procurement. I am confident that Quebec's military and aerospace industry, like the military and aerospace industry in other provinces, is up to the task of competition with other national and international firms. An off the shelf policy is certainly less threatening to Quebec industry than the Bloc's attempts to separate from Canada. That would do more harm to the military and aerospace industry in Quebec than any government policy to seek the best price for military hardware.

The motion is almost amusing in light of last month's referendum.

Can Canadian industry compete with the best in the world? I must answer with a resounding yes. There are dozens of military products and industries which are world class and have succeeded or can succeed in the international marketplace.

The Bloc Quebecois wants to reprimand the government for having dropped the Canadian content requirements in contracts for the purchase of military equipment. That is ridiculous. Canadians know that buying military hardware off the shelf is the only practical way for military procurement in Canada.

Procurement is central to the operations of any military service. In the modern era when weapons systems are so complex and design and delivery stages can extend over a decade, successive Canadian governments have too often overspecified Canadian forces requirements. Successive Canadian governments have also used the military as a tool for industrial benefits and for the pursuit of regional economic development. The result has been costly to Canadian taxpayers and the armed forces.

• (1110)

These factors are responsible for the gigantic bureaucracy for the management and control of military procurement. The costliness of an all Canadian design that has not faced international competition has resulted in our armed forces using outdated equipment. Too many resources were being spent on one megaproject while the modernization and upkeep of existing equipment was put on the back burner.

In other words, whenever possible the armed forces must purchase the most cost effective and capable military platforms, such as helicopters, armoured personnel carriers or submarines. If no Canadian defence industry can produce the entire platform at a competitive price, then so be it. There will still be room for Canadian industry in the development and manufacture of subsystems and in the long term, maintenance of the platform.

In addition to acquiring military platforms for the armed forces in a timely manner the savings to taxpayers would be enormous. The whole procurement process would be simplified. The role of government agencies would be eliminated and significant costs associated with seeking regional benefits would disappear. The end result would be a better equipped armed forces for the money.

In some instances, Canadian industry will be able to compete and acquire a licence to manufacture an existing platform in Canada. I am sure Canadian industries will be highly successful in competing globally for manufacturing rights to existing products. When this occurs the armed forces and the taxpayers will again be the winners. The procurement process will be streamlined. Jobs will be created. Spending will remain in Canada and other Canadian firms will get the opportunity to compete for subcontracts.

My fear is that the Bloc Quebecois motion is actually redundant. I am not confident this government is going to follow through and implement a true off the shelf policy. Let us look at the government's procurement track record so far.

In 1994 the Minister of National Defence tabled his white paper on defence, the first comprehensive look at Canada's defence policy since 1987. In it the minister pays some lip service to the off the shelf concept. The white paper states under the heading of procurement: "The Department of National Defence will adopt better business practices. Greater reliances will, for example, be placed on just in time delivery of common usage items to reduce inventory costs. The department will increase the procurement of off the shelf commercial technology which meets essential military specifications and standards".

While this is hardly a ringing endorsement of an off the shelf, taxpayer friendly way to military procurement, it is a start. Maybe this government's actions are stronger than its words. Let us look at some of the specific purchases by the Minister of National Defence since 1993 and see if he shows some concern for Canadian taxpayers and Canadian military personnel and determine if he has grasped the off the shelf concept.

One of the latest procurement contracts I am aware of is the minister's $2,000 gold plated pen contract with an Ottawa firm. If the minister had a concern for his troops and Canadian taxpayers, he would have shopped around for a bargain. He would have gone to Grand and Toy and Office Depot, to name two major pen suppliers, which have commercially available pens that could be purchased off the shelf. But no, the minister had a number of specifications. They had to be quill pens with gold engraved lettering and supplied in a crushed velvet pouch. So much for the minister and his lip service to off the shelf.

Wait. Maybe that purchase was just a fluke. Maybe the minister's track record improves when we examine something that is not for his personal use. Let us examine the government's track record vis–à–vis one of the major equipment purchases this government faces. Let us look at this government's handling of the replacement of search and rescue shipborne helicopters.

• (1115)

This sorry tale begins in the dying days of the previous Tory government. Prior to the 1993 election the Conservative government had set in motion the purchase of the EH–101 replacement helicopter. By the fall of 1993 hundreds of millions of dollars had been spent on research and development.

The hefty cost of the EH–101 which totalled $4.4 billion including training personnel, spare parts, training manuals and training programs prompted the Liberal Party to make a campaign promise to scrap the purchase. This campaign ploy is proving to be costly to taxpayers and a minefield for the Minister of National Defence who has to replace our current deficient fleet while showing the taxpayers that the Liberal government has saved them money.

The fallout from this campaign promise has been great. Our military personnel were told they would have to spend more time flying obsolete and increasingly dangerous helicopters. Our ability to enhance our defences and to get the most out of our new frigates has been deferred. Taxpayers have been forced to waste up to some $600 million on cancellation fees, but all the costs are not in yet. Some experts are saying that the total could cost Canadian taxpayers up to $1 billion at the end of the day.

Sadly the Liberal cabinet is playing politics again. The defence minister has publicly committed himself to purchasing new helicopters and finally announced last week that he would purchase 15 new search and rescue helicopters. He boldly proclaimed that they would be purchased off the shelf for just $600 million. Six hundred million dollars to $1 billion is the amount the Liberal government has forced Canadian taxpayers to spend on helicopters since the election of 1993. But where are the helicopters? The $600 million figure like our aging Labradors and Sea King helicopters does not fly.

To purchase the 15 helicopters Canadian taxpayers are really being asked to spend $1.2 billion to $1.6 billion when the EH–101 cancellation costs are factored in. That equals about $80 million to $100 million each. That is probably more than the average cost of each EH–101 helicopter.

The only reason the minister is forced to commit himself to an off the shelf purchase of helicopters is the political game of football the government has been playing with helicopters. The EH–101 cost included spare parts, pilot training, manuals and other incidentals. The defence minister left these costs out of his assessment, making his new search and rescue variant more costly to taxpayers.

There is more too. The minister has lowered the operational specifications for the helicopter by 15 per cent. The EH–101 was not an overspecified helicopter. The EH–101 had a set of specifications to meet Canada's expansive geography and our severe weather conditions. Specifications include a range of 550 miles; a speed of 160 knots; a hover capability for a 7,500–foot altitude; a capacity to rescue and carry nine people; a day, all night and all weather capability including severe icing conditions and the capability of making a safe recovery following the loss of one engine.

The Liberals had wasted so much money calculating the EH–101 deal they could not afford to purchase an off the shelf helicopter that could meet Canada's unique needs.

The announcement that the operational requirements for our search and rescue helicopters is being reduced calls into question the Liberal government's commitment to Canada's search and rescue. What are we telling our fishers and their crew off the west coast of Vancouver Island in an emergency situation? The government is sending them a strong message, scribbled with a pricey quill pen that says: "We may not be able to assist you. The weather is too bad and you are out of range. Good luck".

As for the shipborne helicopters, the cabinet and the defence minister are still wrangling over the difficulty in deciding how to tell the public they need to spend billions of dollars on a project they cancelled as a campaign promise.

• (1120)

I expect to see the same result with the shipborne helicopters as with the search and rescue variety. Canadians will get at best an inferior helicopter in less numbers for the same price as the EH–101.

Who are the losers? First Canadian taxpayers and second our military personnel. The Minister of National Defence has an approved defence budget and an approved white paper which apparently account for the purchase of new shipborne helicopters. Yet the minister is unable to get cabinet approval to make this important decision. Why? Media reports speculate on the worst. They believe cabinet is fighting over the division of regional benefits.

In August the *Financial Post* claimed a Parliament Hill lobbyist had said that the Minister of Human Resources Development and the Minister of Transport were pressing the Minister of National Defence for investment in their regions.

When looking at other major procurement items on the government's agenda it becomes apparent the minister was forced into an off the shelf promise on helicopters because of the fiscal mess the government has put itself in over the EH–101 cancellation.

The recent press conference the minister held to announce his plans for search and rescue helicopters was a non–event, to say the least. The minister only announced his intent to accept bids, something most of us thought had occurred long ago. Normally the minister would announce the items to be procured, the cost to the taxpayers and the industry involved.

This is exactly what happened in August when the minister announced his intent to purchase 240 new armoured personnel carriers in addition to a program for refurbishing about 1,200 of our existing M–113s, Grizzlies and Bisons. In this example the minister threw the concept of off the shelf to the wind. It was lucky for him that he had no APC cancellation contracts to contend with. In this case the minister knew exactly which companies would be awarded the contract. General Motors of London, Ontario was awarded the contract to produce 240 new APCs for $800 million, with the government keeping the door open to ordering another 411 at a future date for a cost of just over $2 billion.

To determine whether this contract was value for money, I submitted an access to information request in August asking for documents showing the minister and his senior officials at DND shopped around and bought the best APC for the money. The information act states that the department must respond to requests within 30 days of receiving them. It is now the end of November. I have heard nothing from the Department of National Defence and I expect the worst. I imagine the department is stonewalling because it knows this is not an off the shelf purchase.

I bet those documents are sitting on the bottom of the in basket of the deputy minister of defence as we speak. I also bet the next set of defence estimates this spring will have a column under the APC project entitled regional benefits.

While the verdict on the new APCs is not in yet, it is clear the APC refurbishing contract awarded to Montreal's 202 workshop is an exercise in regional pork barrelling. This was the price of cabinet approval for the purchase and represents old style politics at its worst.

The latest major purchase the minister has made known is the option to purchase surplus British Upholder class submarines to replace our aged Oberon class subs. The asking price of $800 million dollars for four Upholders, training vessels, spare parts and documentation is a bargain. I suspect cabinet will not allow the minister to announce this purchase because there is no pie to be divided among the regions.

To conclude, the motion put forward by the Bloc Quebecois is the exact opposite to what Canada must do to get its fiscal house in order. This is not surprising. What is surprising is that the government has not embraced the off the shelf concept as a means by which Canada can upgrade its aging and increasingly dangerous military equipment.

If Canada is to maintain its modest military and continue to play an effective role in our nation's defences and international affairs, it must change and it must change quickly. As the Reform Party defence critic I will be watching every aspect of DND's purchases, from pens to submarines. I will ensure that taxpayers and our dedicated military personnel are getting the most for their money.

• (1125)

Mr. Mifflin: Mr. Speaker, I am very pleased to speak on the subject before us this morning.

The political rhetoric I have heard from the two speakers in the main opposition and the third parties somewhat disappointed me. The tenor of the debate this morning was not the tenor present in the standing special committee of the Senate and the House of Commons in which there was a modicum of consensus. This did not seem to come out on the floor of the House of Commons today. Notwithstanding I should like to get rid of the political rhetoric and talk about some of the reasons my party and I will not be in support of the motion.

Essentially the procurement policies of national defence have been developed over a period of time which has seen a lot of grief with respect to procurement policies. Perhaps at the time they were appropriate to the occasion but now, because of the paring down, the lack of resources, the difficulties with funding, the end of the cold war and the difficulties in planning defence procurement, we have to do it differently.

I believe I can quote the auditor general in his 1993 report as being objective in his major study of defence procurement policies.

The Deputy Speaker: I apologize to the hon. parliamentary secretary. It is an opposition day and a Bloc motion. The Chair is in the habit of going back and forth and made a mistake. It is not in fact the turn of the parliamentary secretary.

The hon. member has returned to his chair and with permission I ask that the hon. member for Shefford speak in proper order.

Mr. Mifflin: Mr. Speaker, I rise on a point of order. Certainly, as we say south of the border, I will concede but I was hoping to ask some questions to the hon. member for Okanagan—Similkameen—Merritt.

[*Translation*]

The Deputy Speaker: Is there unanimous consent to reverse the speaking order so that the hon. member can put his question?

Some hon. members: Agreed.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I rose to ask the member a question, but since Your Honour recognized me on debate I thought I would commence my debate.

The hon. member mentioned a couple of things I want to clarify, but first I want to make a comment. I was a bit concerned about some of the statements made by the hon. member for Charlesbourg, some of which were raised by the Minister of National Defence, when he suggested the only province that suffered defence cutbacks was the province of Quebec.

I will say in a different manner and perhaps with a different emphasis that I belong to the maritime provinces where the economy is in very rough shape, particularly in Newfoundland. It hurt me as parliamentary secretary to see my colleagues who occupy 31 of the 32 seats in those four provinces being hit with a tremendous blow because the necessary reductions in defence were done objectively.

I refer to the closing of Canadian forces bases Chatham, Cornwallis, Shelburne and the reduction in CFB Shearwater. These were major economic blows to the Atlantic region. I do not think we have heard any of those four members cry wolf. Despite the hardship it has caused politically and otherwise, they have accepted that it is part of government reduction. It would have been graceful if other members had done the same thing.

With respect to my question to my hon. colleague in the third party, he talked about the procurement policies and how they have developed. He used a bit of politics, which I suppose is his duty as the defence critic and which I accept in good spirit. I wonder if he has read the 1993 report of the auditor general. Does he recall some of the discussions we had in the special committee on national defence with respect to some of the difficulties that the old procurement policies had? The policies took a long time and emphasized the wrong things. By the time the equipment was developed it was out of sync.

• (1130)

I also want to make another comment and ask him to respond to it. He said that the EH–101 was not an over designed helicopter. I wonder if he realizes that the EH–101 specifications and capability efficiencies were developed at the height of the cold war. By the time the hardware was developed, it responded to a threat that no longer existed.

I wonder if he has taken that into consideration when he says the EH–101 was the best helicopter for the day.

Mr. Hart: Mr. Speaker, we are saying that the procurement policies of governments in the past were not adequate. They were not fair to Canadian taxpayers. They were not fair to the people who pay the bills.

Under the old system, it could be 15 or 16 years from the time a decision was made to purchase a piece of equipment until it is actually delivered. The frigate program is a good example of that.

I was in the navy in 1973. It was about 1975 that the planners of the frigate program started to come around to the ships to talk to the sailors and to the people in the military about the purchase of new frigates. As members know, we have just recently taken delivery of the very frigates that were in the planning stages in the mid–1970s.

Our procurement process over the years has not been a good one. It has not been value added for the Canadian taxpayer. It has left the military personnel who are challenged with these very heavy commitments that the government places on them with aging equipment, as we see with the Labrador and Sea King helicopters. They are literally falling out of the sky while we wait for an announcement on helicopters.

The helicopters were a big campaign promise. Many would argue that the cancellation of the EH–101 helicopter was probably what won the Liberal government victory in the last election campaign.

What is happening now? The Canadian taxpayers are paying the cost for cancelling the EH–101. I am not overwhelmingly endorsing the EH–101 project but I am not going to say that we should have ruled it out and used it as a political football, which is what the Liberal Party did during the election campaign.

It did not come down to whether the specifications were right. We did not talk about that in the election campaign. We did not talk about whether it was value for the Canadian taxpayers. The Liberals did not talk about that. They just said that they were going to cancel it regardless of the requirement for it, the specifications for it, the terrain that we have to live with in Canada, one of the largest countries in the world. It has excessive weather.

They did not talk about that. They made it a campaign promise to cancel the contract. The figures run about $600 million right now for the cancellation of the EH–101 helicopters. Now the taxpayers know that those figures could reach $1 billion.

The member shakes his head and says that no, it will not reach $1 billion. Why, since I have had access to information on this very subject since the summer, has this government that claims to be open, responsive and interested in letting Canadians know all the information not been forthright about the actual costs of cancellation? It has not done that.

These members have not been forthright. If I can use the member's own words, the government is being opaque on this issue, very much so.

• (1135)

This issue with the helicopters is so much like this Liberal government. After spending $600 million in cancellation fees so far, after the minister announced the government is going to spend $600 million on a new search and rescue helicopter with a decreased capability of 15 per cent, we still do not have helicopters today. That is $1.2 billion right there. The costs are not in yet and Canadians do not have one helicopter to show for it.

This is hypocrisy. The government is going to have to get down to real terms. It is going to have to go to the Canadian people and tell them exactly what the requirements are for the search and rescue helicopter. You cannot even get that information from the minister and the department.

The government is supposed to be open, consulting with the people. Why does it keep secret the information on this procurement? It is not right. I will do everything in my power to fight this and make sure that the government is held to the fire on this one until a purchase is made.

Mr. Mifflin: Mr. Speaker, in response to that I would have to tell the hon. member I do not know from where he is getting his figures. I am disappointed he would use this kind of rhetoric to suggest that these things are happening when in fact they are not.

I have another point I wish to make which I believe he understands but may have misconstrued. He says the helicopters are falling out of the sky. That is not true. Those helicopters are safe to fly until the year 2000. He knows as well as I that the Canadian forces will not permit their pilots to fly helicopters that are unsafe. I want to clarify the record on that. He is looking over at me and nodding with a smile on his face. I know he is playing politics again.

Mr. Hart: Mr. Speaker, in response to the hon. member's question, on my recent visit to Shearwater while I was being told that the Sea King helicopters were in the best condition they have ever been in 30 years, cranes were lifting them off the flight decks of the frigates.

Canadians might recall the words of a Canadian pilot who was a trainer in Sea King helicopters. He was quoted in the *Globe and Mail*: "You only fly a Sea King as far as you want to fall".

[*Translation*]

The Deputy Speaker: Resuming the debate, with my apologies to the member for Shefford.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, I wish to speak about the equity, or inequity if you prefer, of which Quebec is a victim with respect to military procurement.

The recent government decisions to purchase new armoured personnel carriers and 15 search and rescue helicopters are far from reassuring to Quebec. It is now a well known fact that Quebec is far from receiving its fair share of federal defence spending, and this has been the case for some years.

All indications are that this inequality will increase rather than decrease. In fact, the new National Defence procurement policy is likely to affect Quebec even more than before.

My colleague, the member for Charlesbourg, clearly demonstrated this morning just how much Quebec is a victim of the federal government's double standard.

I would like to add my voice to his in severely criticizing the government for dropping any requirement for Canadian content from its most recent military procurement policy. What is even worse is that it refuses to put into place any true program for defence conversion. It is very easy to imagine what the consequences will be.

The consequences are that this new government policy will directly endanger the entire aerospace industry. We all know that this industry is mostly concentrated in Montreal, Quebec.

• (1140)

My Bloc colleagues will have the opportunity later today to address more specifically the important issue of defence conversion.

I, for one, want to underline the negative impact the federal government's new policy will have on Quebec. I should, however, start by reminding you that Quebec has been cheated out of a minimum $650 million a year on average in the distribution of federal defence spending in the last 15 years at least, and I will not go any further because it could be worse.

This does not come from me but from the defence department's own statements and figures. In concrete terms, it means that, in the last 15 years, Quebec has received only 17.9 per cent of all defence spending, including 13 per cent of infrastructure costs and 15 per cent of personnel expenditures.

I should also remind you of the conclusion reached by a defence department official, Charles Trottier, in a study he released last February. In the last 15 years, Quebec has received 27 per cent less than its fair share of defence spending. Mr. Trottier compared this loss to the James Bay project or $10 billion over 15 years. This represents a $10 billion shortfall for Quebec. In terms of jobs, this represents a loss to Quebec of 15,000 direct jobs and 25,000 indirect jobs per year on average: nothing less than 40,000 direct and indirect jobs.

In fact, if distribution had been fair, Quebec should have twice as many defence facilities as it now has. Twice as many. Such injustices to Quebec are systemic within the armed forces. This demonstration clearly shows that the federal system is fundamentally flawed, as I will try to explain to you.

Even the minister of defence confirmed that Quebec has been treated unfairly. When he appeared on Radio–Canada's *Enjeux* last April, the minister said about Quebec that they could not afford the luxury of being totally fair.

I myself asked the minister how he could have the gall to consider fairness a luxury. "Fair"—that is all we ask—to Quebec. Guess what he replied to me? In complete contradiction with his own remarks and suggesting that Quebec was favoured by capital expenditures, which is not true, he said, and I quote: "The province of Quebec generally leads the country in its share of defence capital acquisition expenditures and probably will continue to do so in the future when the new defence acquisitions are announced."

Let us talk about these new defence acquisitions that Quebec is allegedly getting its fair share of. Let us look at this. What are the facts? We know that the government has taken a piecemeal approach to announcing such acquisitions so that the pill will not be too bitter for the taxpayers.

Let us start with the new armoured vehicles. What is Quebec's share of this huge contract worth more than $2 billion? Try as we may to find it, Quebec's fair share is nowhere to be found. Why? Because it just does not exist.

The fact of the matter is that the federal government awarded this contract, directly and without a tender call, to the GM plant in London, Ontario. Quebec companies were not even invited to tender for this contract.

• (1145)

Worse yet, they are not even guaranteed a chance of bidding for subcontracts with GM Ontario. But everyone is well aware of the fact that Oerlikon of Saint–Jean, in the riding next to mine, in Quebec, has all the expertise required to carry out at the very least the turret part of the contract.

My colleague, the hon. member for Saint–Jean, will certainly have an opportunity sometime today to get into this issue of Oerlikon. In spite of the official opposition's pressing plea, the Liberal government absolutely refused to require GM Ontario to go to tender for its subcontracts.

As a result, Ontario is the only province benefiting from this great $2 billion contract. Two billion dollars is a lot of money. All that for Ontario, a province which has a very strong majority in the Liberal caucus. So, when the minister says that Quebec will benefit from the new defence procurement, we can only conclude that it will certainly not be through the armoured vehicles contract.

But let us give the minister another chance. Let us take a look at the procurement contract for the 15 new search and rescue helicopters. Perhaps we will find that Quebec gets its fair share in that deal. After all, it would only make sense, since Quebec was the big loser following the cancellation of the previous contract to buy the EH–101 helicopters. We are not talking about a $2 billion contract like the one awarded to Ontario for the armoured vehicles, without any call for tenders, but it is nevertheless a deal worth $600 million. And $600 million is not peanuts.

Let us ask ourselves this question: Will Quebec, as the defence minister claims, get its fair share of that second military procurement contract? Again, anyone could foresee the answer to that. Quebec has no guarantee whatsoever that this will be the case. Why? Because the government suddenly changed its military procurement policy.

This is a strange coincidence, is it not? While the aerospace industry is located primarily in Quebec, the government suddenly decides to call for tenders, contrary to what it did in the case of the armoured vehicles contract, which was awarded to Ontario without any call for tenders.

This is ironic, especially considering that Quebec was the province most affected by the cancellation of the EH–101 helicopter contract. By the way, that was a $4.8 billion contract.

If I raised that issue, I would probably be told that we should not oppose the government's decision to call for tenders, since it is in the best interests of taxpayers, whose fiscal burden is already heavy enough, and we certainly agree with that. Public finances are indeed in bad shape and it is not our fault.

The Liberals were going to do marvellous things. What marvellous things? I can use either an exclamation mark or a question mark. In all sincerity, I will tell you that it is surely the case. But then why did the government use a different approach in the case of the armoured vehicles contract? Why did the Liberal government not apply the same policy in the two cases? We are still waiting for an answer.

• (1150)

And why does the government refuse to require that GM Ontario allow Quebec businesses to bid on those subcontracts? Again, we are still waiting for answers that are not coming.

Wise observers might point out ironically that what it good for Ontario is bad for Quebec or for the rest of Canada. The problem is that the minister lacks the courage to say so publicly. We realize that he comes from Ontario; that is obvious. In any case, if we take for granted that calling for tenders is okay where Quebec is concerned but that the same rule does not seem to apply to Ontario, one question remains relevant. This question is why, in the case of the search and rescue helicopter contract, the government has suddenly dropped all Canadian content requirements. This is rather peculiar, especially since it could have

disastrous consequences not only for Quebec businesses but also for Canadian businesses.

Professor Yves Bélanger, who is also director of the University of Quebec in Montreal's research group on the defence industry, was quoted in yesterday's *Le Devoir* as saying that, by dropping the Canadian content requirement, the Liberals have taken away from Canadian businesses the best argument they had to force multinationals to negotiate partnerships with them. We are now familiar with the word "partnership", which came up repeatedly during the referendum campaign. Partnerships are the future.

The spokesperson for the Aerospace Industries Association of Canada also agrees. Let me read you what he said in relation to the government's new procurement policy. Here is what he said about it: "If you push it to the extreme, all Canadian development programs would disappear, making it extremely difficult to maintain our defence industry." Thanks to whom? To the Liberal government.

These concerns are especially justified, since, according to analysts, none of the manufacturers competing for this contract are from Quebec or Canada. Apparently, there are two American companies: Boeing and Sikorsky, and three European companies: Eurocopter, Agusta–Westland and the Russian manufacturer Kamov.

In the case of Agusta, there is cause for concern because serious accusations of corruption have been made against this company in Europe. But not only does the government refuse to investigate the circumstances of the EH–101 contract award, as requested by the now Minister of Human Resources Development when he was in opposition—

An hon. member: That is different.

Mr. Leroux (Shefford): It would indeed seem that, here, in Canada, it is quite a different story, depending on which side of the House you are sitting.

Also, one can wonder whether or not the government is getting ready to offer a "sweet deal" to this company.

At any rate, let us come back to the remarks made by the defence minister on Radio–Canada's program *Enjeux* in April. As I said earlier, the minister had stated on that occasion that Quebec was receiving its fair share of defence procurement. He said so. Now, if Quebec, and Oerlikon of Saint–Jean in particular, is literally excluded from the $2 billion APC acquisition contract, which was awarded to Ontario, and if Quebec is not guaranteed any benefits arising from the $600 million search and rescue helicopter contract, what does this leave as Quebec's fair share?

That is hard to predict, since the federal government is announcing its defence acquisitions in a piecemeal fashion, one slice of baloney at a time, in the hope, of course, that taxpayers will find the pill easier to swallow.

• (1155)

That way the bill does not seem as steep, but if you add everything the result is the same. However, according to the most recent statements made by the defence minister regarding that issue, we can presume that the government is about to buy, at a cost of more than half a billion dollars plus several other considerations, four used submarines that England is no longer interested in. That country wants to get rid of these submarines, and we are going to buy them.

We will buy four old submarines, which are no longer in use. This is what we will get. We will then be better protected. What do you think Quebec could get out of such a deal? As I just said, there is every indication that these are British submarines. Quebec will obviously not get anything out of that deal. But it will have to pay its share, its 25 per cent. Quebec always gets 13, 14 or 15 per cent of everything, but it pays 25 per cent. This is unacceptable.

The government's new policy no longer requires any Canadian content, unless of course it applies to a procurement contract which can help Ontario increase its large share of federal defence spending. This creates a double standard. There is one policy for Ontario and one for the rest of Canada. I can only conclude that Quebec which, as we all know, is far from receiving its fair share of federal military spending, will continue to be greatly and unfairly penalized by this government.

It is no wonder that more and more Quebecers feel that the only alternative is, to be sure, a sovereign Quebec. Quebec's sovereignty will soon become a reality and, when that happens, Quebecers will turn their backs on these injustices, which cost them dearly.

In conclusion, I have no choice but to blame the federal government strongly for giving up the Canadian content requirements in military procurement contracts. These requirements were among the last guarantees that, some day, Quebec might get its fair share—no more and no less—like the others in Canada, that it might be recognized as a province, and that it might get what it is entitled to.

Therefore, I join with our defence critic, the hon. member for Charlesbourg, in blaming the government for its current action.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I listened attentively to the member's remarks today. He has been very selective in his speech and has forgotten some very important historical realities.

I would like to go back to the period of 1979 to 1981, when the Government of Canada under the leadership of the Right Hon. Pierre Elliott Trudeau basically put the foundation in place for the Quebec aerospace industry. The member conveniently did not touch on that period of time; he conveniently overlooked it. This tends to be the basic strategy of the Bloc Quebecois members. They forget the foundation upon which an important industry like the aerospace industry was brought to Quebec.

I remind the member of the government's decision in 1980 when the Government of Canada purchased the F–18A. Almost 80 per cent of the offsets that were part of that contract went to the province of Quebec. In no way, shape or form do I begrudge that because I am a Toronto member, an Ontario member. We celebrated that great purchase under the leadership of Pierre Trudeau.

• (1200)

I also remind the member that it was under the leadership of the present Prime Minister that the decision was taken to get involved with the Canadair Challenger jet. Canadian taxpayers, not Quebec taxpayers, invested almost $1 billion into research and development to lay the foundation that led not only to the Canadair executive jet but also to the Canadair commuter jet, which is now being manufactured in the province of Quebec not just through Canadair–Bombardier but also through various aerospace manufacturers.

I will give a third example. There was a contract given to maintain the F–18As, I believe about four years ago. The actual price submitted by Bristol Aerospace in the province of Manitoba was cheaper than the contract price in Quebec. The government of the Right Hon. Brian Mulroney made sure under his leadership that the maintenance contract for the F–18As, our fighter jet, went to the province of Quebec.

I do not want to suggest that as a Toronto member I resent any of those contracts going to those manufacturers in the aerospace industry in Quebec.

When we talk about what is Quebec's fair share I can point to a specific example where a Liberal government under the leadership of Pierre Trudeau laid the basic foundation for the aerospace industry, which I recognize is an industry leader in the world.

We have to deal with something that happened during the regime of the last government: the free trade agreement. I campaigned vigorously against the free trade agreement. I campaigned against it for many reasons. One reason was chapter 14 of the free trade agreement where essentially there was unfettered foreign access to our markets, whether it was for procurement, manufacturing, or investment opportunities. We essentially gave up a big part of our sovereignty under that chapter.

Members of the Bloc voted for, supported and campaigned for the free trade agreement. We must remember that one article in the free trade agreement prohibits us as a nation from dictating Canadian content. So when the member from the Bloc in his speech today talked about the government not dictating Canadian content, he should have realized that his leader campaigned against dictating Canadian content when he supported the free trade agreement. You cannot suck and blow at the same time. The member from the Bloc Quebecois I know is fighting for his people, which I respect. But we must deal with the truth. The truth of the matter is that we cannot dictate Canadian content.

I believe in the Quebec aerospace industry. When Pierre Trudeau, a great Liberal Prime Minister, laid the foundation to put that industry primarily in the province of Quebec, I believe he made the right decision, not just on behalf of Quebecers but on behalf of all of Canada. The member from the Bloc Quebecois is forgetting a very important factor in any business equation. I want to get to the point about procurement. I have confidence in the Quebec aerospace industry in the sense that it does have the capacity to produce a quality product at a better price.

• (1205)

If we were to promote and support the quality product and competitive price that Quebec aerospace industry operators provide, we could overcome the insecurity the Bloc Quebecois member has about his own industry. Any businessman, if the product is quality and the price is right, will always get the business. Therefore we should not give up on the aerospace industry having the ability to produce a quality product or service at a quality price. Rather than throw in the towel and give up on the industry, let us rally around it.

I do not believe the member from the Bloc Quebecois has that confidence. Essentially what he is saying today is that we should be dictating that automatically these firms should get the business.

Before the free trade agreement I liked the situation in which we tended to be a little more protectionist. I fought for a more protectionist role. The member's current leader said we do not need that kind of protection. We should be consistent when we are having this debate. If the member would not be so selective and instead would look at all the things in a total equation, I believe he would see that the people of Canada and the Government of Canada have done their absolute best to be fair to Quebec.

[*Translation*]

Mr. Leroux (Shefford, BQ): Madam Speaker, it seems fairly obvious that the hon. member considers former Prime Minister Pierre Trudeau his guru, since he has referred to him four times within one short presentation.

What we in Quebec are demanding, and I use the word "demand" advisedly, is to have equity, to see Quebec treated equitably, to see Quebec receive what it is entitled to. It is true that, by around the end of the seventies, an aerospace system was in place in Quebec, and now the government across the way cannot be allowed to make use of legislation to kill it off bit by bit. This government must not be allowed to use dubious laws, unwanted laws, to cause Quebec's aerospace industry to disappear. I feel that this is important, and those in the industry say the same. It is one thing to establish an aerospace industry, but quite another thing to destroy one, and that is what is being done now with the legislation being passed and the way Canadian and Quebec companies are being treated.

Personally, I have no problem at all with insecurity, despite what the hon. member said about my seeming to be insecure. What I want is to see Quebec treated equitably, fairly, more fairly than at present. I think it is important—and there is no question of insecurity in working on behalf of one's constituents, the people of Quebec who elected us to this House—and I think it is important to say so.

Madam Speaker, the hon. member took seven minutes to ask his question, and it seems to me I ought to be able to respond to it.

The Acting Speaker (Mrs. Maheu): You may respond within the allocated ten minutes.

Mr. Leroux (Shefford): Madam Speaker, perhaps then he ought to have taken a little less time in putting his question, so that I could have as long as he. But I respect your decision.

I merely wanted to say, in closing, that without the members present here in the House when the Conservatives passed the Free Trade Agreement—we know that the Liberals were opposed, Ontario was opposed. Why? Because Ontario has always been Number One. So, without the Quebec members—this is proof that Quebecers have a world view. We are open to the rest of the world, and we want to be able to negotiate, to trade with everyone.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Madam Speaker, before I begin this debate I want to thank my hon. colleague from Broadview—Greenwood for his usual intelligent, logical, non-political intervention in this debate, which I think is slowly starting to rise in its level of intelligence. He has introduced some sense, some logic and some good debatable points into this debate. Because I have such respect for the points he has made, I am not going to reinforce them in my presentation.

• (1210)

I want to start with the motion to provide a backdrop for my debate this morning:

> That the House condemn the government for having dropped the Canadian content requirements in the contracts for the purchase of military equipment and refusing to set up a genuine program for the conversion of the military industry, thus endangering the Canadian aerospace industry located in Montreal.

Coming from Her Majesty's Loyal Opposition, I would expect that it would take into consideration not just the aerospace industry in Montreal but the aerospace industry in Canada and indeed all the military industry in Canada. You cannot talk about the military industry and relate it to one province. We just do not do business that way in our country. The hon. members know that as well.

I will give a personal experience, which will provide the thread for my thesis. My thesis essentially is that we can no longer continue to do business the way we have been doing it. The climate is not the same. The military climate is not the same and the fiscal climate is not the same. We have changed and we have changed for a reason. If the hon. members opposite would follow the logic of my presentation, I give them forewarning this is the general pattern.

In my previous incarnation I had the fortune, or some would say misfortune, to serve at Department of National Defence headquarters. For an operational officer in any branch of the armed forces this is not considered the highlight of one's career. One likes to be out in the field driving ships, tanks, airplanes, or whatever the case may be.

My first tour, which was rather traumatic, came in 1967, my first time in Department of National Defence headquarters or Canadian forces headquarters as it was then called. One of the first projects I became involved in was a replacement ship for the 20 St. Laurent class destroyers that were built in the post-war period.

I have to say in deference to the issue, and I would be less than honest if I did not, that they did have Canadian content and were considered to be among the best in the world. It was a different time, a different environment, different circumstances—post-war. In 1967 the debate for the replacement of those destroyers had begun. Not only had it begun but it had been going on for some time, maybe a couple of years.

To take a snippet of this point in history, the genesis had been set for the four gas turbine general purpose frigates, or DDH-280s as they became known. There were four special ships in the making, but they had a long time to go as well.

In 1967 the debate had already begun on a replacement for the 20 post-war destroyers. On December 22, 1977, ten years later,

a cabinet document approved the construction of the Canadian patrol frigates. That was in December 1977.

I will now report that the last of that class of frigate will be commissioned next year. Actually HMCS *St. John's* will be commissioned in St. John's, Newfoundland on June 24, 1996, and the last of that class will be commissioned in Cornwall, HMCS *Ottawa*, in September 1996. After approval in 1977, the last to roll off and be commissioned will be practically 20 years later. That is a long time. That is 30 years from the conception to the last of the class delivery. I do not care what anyone says. I do not care what province they are from. I do not care what they represent or what discipline they belong to. That is too long.

• (1215)

During the cold war we produced equipment for something that might happen. It is happening today. There are 50 wars going on and we are involved in some of them. We cannot have equipment for tomorrow; we must have it for today. We cannot go on planning for 30 years, expecting and not delivering.

If they do not want to heed what the Parliamentary Secretary to the Minister of National Defence and Veterans Affairs has to say, I refer them to none other than the auditor general. In his 1993 report he essentially reinforced more eloquently and more specifically the points which I have made. He found three major difficulties with the present procurement system in national defence.

There were 550 major capital projects under way at one point in time. A capital project was in the vicinity of $100 million. That in itself is a challenge.

I am going to repeat this because if I heard somebody say this in the House I would say that they were wrong by a multiplier of 10. The first difficulty which the auditor general found was that it took 5,550 days from the time a capability deficiency was discovered in the inventory of capital equipment in national defence until Treasury Board approval. Not delivery, approval. It took 5,550 days which is 15 years. The system is cumbersome. The number of man hours used in that process would indicate why national defence headquarters was so large and why there was so much difficulty in reaching agreement on the kind of equipment we needed.

The second difficulty was that one of the major pieces of baggage the defence program management system had was the business of content and industrial regional benefits which were always built into the program. As my hon. colleague for Broadview—Greenwood has pointed out, that is no longer permissible under the free trade agreement.

The difficulty was that in trying to build in regional industrial benefits and offsets, quite often the major contract was averted. The major project which was proceeding apace, logically and reasonably, despite the time frame involved, got thrown off course because of an interjection which was too far downstream to be brought into the original concept of the contract. That threw the system off. The end result was that we did not get the best equipment for the money spent. Yes, it was rationalized, but the auditor general did not believe the rationalization was reasonable.

The third major difficulty which the auditor general found in 1993 was that because of the length of time it took to produce Treasury Board approval for the equipment and because of the dynamic instability inherent in the system, by the time the product was produced it did not necessarily relate to the threat or the deficiency which existed 15, 20 or 30 years before.

Mr. Mills (Broadview—Greenwood): The original requirement.

Mr. Mifflin: The original requirement.

I do not want to belabour this, but the case in point was the EH–101. It was a good helicopter, but it was too good for what was needed at the time. It was designed for the cold war. By the time the selection process had come to an end, the cold war was over and the requirements had changed.

Where did we go from there? We had many discussions in the special joint committee on national defence, in which I was honoured to play a role, along with other colleagues of the House. There was some disagreement, but I thought the work of that committee was conducted very co–operatively. The report was hailed as a good report from the bottom up. In 10 months of study the committee consulted over 1,200 Canadians and every kind of group which was involved and interested in national defence, from the positive to the medium to the negative. We took into consideration all of their concerns.

• (1220)

One of the major areas we spent time on was the procurement of equipment. Major equipment groups, defence preparedness groups, Canadian defence associations and the military equipment requirement industry came and spoke with us. Our conclusion was not in support of the motion the opposition has put forth.

In the major discussion one of the things we focused on was that the procurement function was central to the operation of any military service. If we do not have equipment we cannot really have a decent force. This is especially so in the modern era where weapons systems are becoming more complex, more sophisticated and more expensive, not just because of the escalation in money but also because of the escalation in complexity and sophistication.

The design and the delivery schedules extend over 10 to 15 years. I used the example of the Canadian patrol frigate. I think the first one was delivered in 1988 and we will be delivering those ships until 1996. That is an eight to ten year delivery schedule.

The factor that was considered in the special joint committee was the regrettable tendency for the Canadian forces to overspecify the requirements and generally to use every procurement opportunity as a chance to design and build the very best weapons system possible. Best was the enemy of good enough.

The second point we focused on was that there was a stringent set of oversight and accountability requirements imposed over the years and probably for good reason by the Treasury Board.

Together these factors produced a bureaucracy and a system for the management and control of federal procurement that has grown out of all proportion to the real needs of the Canadian forces, out of proportion to the size of the Canadian forces which over the last 10 years has been reduced both in size and in budget. I will mention some figures on that in a few moments.

Our recommendations were threefold. We believed that a significant reduction in the unnecessary superstructure was long overdue. The recommendation was made that first of all the government make a public commitment to purchasing military equipment off the shelf and that it avoid the complex, slow moving custom designed procurement and production processes that characterized too many capital projects in recent years, some examples of which I have given.

In this spirit the procurement policies of the department and the Canadian forces should show a bias toward the purchase of commercially available products whenever possible, be it Canadian or offshore.

The final recommendation, and we felt strongly about this, was that the deputy minister and chief of the defence staff working with the officials of other concerned departments should take immediate steps to modernize and streamline the procurement process. The parliamentary secretary for industry and the parliamentary secretary for public works will be commenting on that this afternoon.

The white paper stemmed from our special joint committee. In the white paper a considerable effort was devoted to looking at capital equipment. The opening thoughts were that we had to change security environment and we had to change fiscal circumstance. This demanded that national defence radically restructure its plans to purchase capital equipment.

To put it more succinctly, if we add up all the reductions, in the last decade national defence has had funding reduced by $21 billion which is a lot of money over a decade and 21,000 people in the regular force which is a lot of people. I have not counted civilians and I have not counted the reserve force.

We cannot give up that amount of funding for whatever reason and expect to do business as usual.

An hon. member: Over how many years?

Mr. Mifflin: Over a decade. That is a lot. In the last two years since 1993 there has been a reduction of $7 billion from the department. That is from 1993 to 1999 and is in the 1993 budget. In last year's budget there is another $2.8 billion. I am talking about a lot of bucks here and a lot of jobs. I am talking about a lot of corner cutting which has to be done to make do with the money we have to buy the equipment we need. We cannot do business as usual which is the point I am making here.

• (1225)

First of all, we have put emphasis on extending the life of equipment whenever cost effective and prudent. With respect to new equipment, the acquisition will be only for purposes considered essential to maintaining the capability of the Canadian forces and for the widest range of defence roles. We want the equipment to do as much as possible without compromising the role and the major purpose of the equipment. We want to get fewer types of equipment, which is now the case, and to purchase equipment that is easier to maintain.

With respect to planned acquisitions, in 15 years capital equipment alone was cut by $15 billion. I talked about $21 billion but that involved other reductions in base closures and that kind of thing. That is a lot of money.

The Department of National Defence had to adopt a better business practice where greater reliance was placed on the just in time delivery of common usage items to reduce inventory costs. Also, in direct response to the recommendation made by the joint committee, the department increased off the shelf procurement of commercial technology which meets the essential military specifications.

The Department of National Defence has embarked on a program to enhance its partnership with the private sector. The most recent and best example of this is the way we are going about the acquisition of our 15 search and rescue helicopters, which does indicate a tremendous partnership and co–operation with the private sector. We have built in a lot of flexibility to the private sector.

Where business case evaluations demonstrate potential for increased cost effectiveness, support activities currently conducted in house will be transferred completely to Canadian industry, or shared with private industry under various partnership arrangements. This again speaks of more flexibility, cost effectiveness and efficiency.

We are also continuing to seek new ways to support our operational forces. If we can contract out to maintain the equipment, that is quite satisfactory to the department. I could quote examples but because of the time I will finish the main thread of my presentation.

In Canada today, 60,000 people are employed in high technology industries, such as aerospace and electronics, which are directly linked to defence procurement. These linkages extend beyond the production of defence equipment to include technological spinoffs into commercial products and access to international markets.

The challenge of lower R and D and capital spending, as I alluded to earlier, and more off the shelf purchasing will be to maintain and improve the industrial impact of those expenditures which remain. To this end, it is the intention of the Department of National Defence to work with Industry Canada and Public Works and Government Services Canada toward harmonizing industrial and defence policies to maintain essential defence and industrial capability.

In general, the government will seek to foster defence conversion despite what the motion suggests. We are going to foster conversion not by a vast infusion of money, but through other initiatives which the Minister of Industry has espoused in very clear terms in this House during question period and in major speeches he has made. I am surprised there is so much doubt on the other side.

We are looking at overall industrial growth and the international competitiveness of Canadian firms consistent with our international trade agreements.

To summarize, what we did before may have been all right when we had the budget to do it, when there was the threat climate to do it and when circumstances permitted. All of the circumstances have changed. We can no longer do business as usual. We have had a major overhaul in the way we do business: in procurement, in life cycle management, in life cycle maintenance.

• (1230)

I look forward to the rest of the debate today to see if we can pick up some more ideas to further enhance what I believe is already tremendous progress in this area.

[*Translation*]

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Madam Speaker, I have two comments and a question for the parliamentary secretary.

I do not know whether this is a military tactic, but he digressed somewhat from the topic at hand—I am actually very glad he did so—to discuss timeframes and the whole structure at headquarters for supervision, programming auditing, and so forth, all of which takes forever. He said as long as 15 years, in some cases.

This is indeed one of the problems of defence procurement. The Auditor General mentioned this in his 1993 report, and he made his case very eloquently. We also discussed this on the special joint committee, but I would like to ask the parliamentary secretary what exactly has been done within this whole review process.

There was, for instance, the software for maintenance of the frigates, for which the military had set certain criteria. After a lot of negotiations and unavoidable delay, we finally obtained a small percentage what the military had asked for. After spending about $30 million on this software, we have yet to obtain what we want.

I wonder how the parliamentary secretary can say that things have changed within the Department of National Defence. If we are going to buy equipment directly on site, will defence testing requirements become stricter or will they remain the same after acquisition of this equipment?

We have now reduced the EH-101 capability to 15 per cent. Are we going to upgrade it again afterwards? Because nothing has happened to change the whole situation he referred to in the department and at headquarters in the past two years. That is my first comment. I would like to know whether the parliamentary secretary has any specifics.

Second, in his speech he said that we could no longer afford to use defence procurement as a tool for regional development, as the federal government often did in the past. As I said earlier—and I appreciate the fact that the parliamentary secretary talked about being logical—when there is no infrastructure, I agree we should not create a new infrastructure, but when it exists, when a company has the infrastructure, then we can use and adapt it to defence criteria.

When we talk about armoured personnel carriers, I am always reminded of the fact that the last deliveries of Bisons, which are now judged to be obsolete or old, were made in 1994. If defence equipment is old after only one year, I really wonder about the future of the Canadian army's equipment.

[*English*]

Mr. Mifflin: Madam Speaker, I thank the hon. member for his question. I recognize that he has agreed with some of the things we have said, as he did in the special joint committee.

I emphasize that the changes I have just related to him and to the House are not yet a year old. I assure him from the bottom of my heart that the name of the game is what is the most cost effective way of doing business. He is right in pointing out that we have done things differently depending on the kind of contract we have. However, that points out the flexibility in the system.

We no longer have to go through a system of hoops, milestones and baggage difficulties because it says so in the manual. It is done differently depending on which is the best way to do it and what is the most cost effective way of doing it.

The best example I could give the hon. member for Charlesbourg is to tell him about one area of technology, which I know he understands, so I will relate it to him very briefly.

• (1235)

In 1985 the Canadian navy had less than 350,000 lines of code. I am talking about software now. A decade later the number of lines of code in software in the computer and command control systems and technology transfer systems has increased by a factor of 30. It has just under 10 million lines of code now.

The member knows what that means with respect to software managers, the number of people who work in the software production areas and who are involved in maintenance and producing programs.

Different ways have to be found to do this. Some work may have to be contracted out as was done in one case. The member alluded to the case of Paramax. I think he was satisfied with the number of witnesses that were heard who indicated the difficulties we had with that and in other areas. That is one area to which I would like to respond.

However, this system is still evolving. The examples that he used indicate that we are prepared to do things differently and hopefully in the right manner. We may not get it right 100 per cent of the time, which is always the case when we are making a change. But we know that we have the major thrust right.

I want to respond to comments the hon. member made earlier and to clarify, in case there is any doubt in his mind, with respect to the submarines. He sat on the special joint committee. I am not going to read the recommendation because it is very clear. I can almost do it verbatim. The special joint committee said that, reluctantly, as much as it believes Canada needs a third dimension in surveillance of the oceans, which are the same size as the country, a submarine capability is needed to replace the aging submarines now. They are at the end of the line.

Pretty soon the capability to have people serve in submarines will be lost because the submarines will be gone. Therefore the capability will go with it. The report said, reluctantly, that Canada could not afford to spend the $5 billion needed to get four new submarines. However it did say that because Canada is a maritime country and because it really needs this third dimension to see beneath the surface as well as on and above the water, that if there was an opportunity to buy four submarines that were fairly modern, advantage should be taken of that.

As it turned out the British navy had retired its new submarines, the Upholder class. They are not old submarines. One of them has never been used. How can Canadian content be put into an opportunity buy? The committee agreed and said that its members did not specify a particular country. As it turns out it was the Upholder class in Britain, but it could have been other classes. It was not specified. The committee members did not restrict themselves. They said: "If we can get something at a bargain price that somebody else does not need any more, then buy it". It is like a major capital equipment garage sale. I wanted to clarify that.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I have a question for my colleague, the Parliamentary Secretary to the Minister of National Defence. The thrust of his speech dealt with the whole issue of off the shelf. We must be more sensitive to off the shelf purchases.

I realize that some of the prime military manufacturers are not Canadian yet Canada has some of the best component part manufacturers in the aerospace industry. What is the government or the Department of National Defence doing to marry our aerospace component manufacturers with those prime military manufacturers? Is there something that could evolve like the auto pact which we have for the automotive sector?

Mr. Mifflin: Madam Speaker, I am delighted that the hon. Parliamentary Secretary to the Minister of Industry put that question. I must tell the House that we did not consult before.

The best example I can give him is the announcement made a week ago last Wednesday by the Minister of National Defence with respect to the acquisition of the capability for 15 search and rescue helicopters.

• (1240)

It allows the aerospace industry to be totally flexible in the way it goes about responding to this request. It can either provide helicopters by saying that it thinks those are the ones that are the best, and if it is assessed, that is the way it goes or the Canadian companies can say that they will lease helicopters. Having leased or bought them, the maintenance of the helicopters can be contracted out using the aerospace industry in a manner that perhaps was not conceived before and the inflexibility of this cumbersome system that I described in my presentation did not allow. More flexibility means more efficiency and better use of Canada's considerable aerospace industry.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, it is an interesting motion that we are debating this afternoon:

> That the House condemn the government for having dropped the Canadian content requirements in the contracts for the purchase of military equipment and refusing to set up a genuine program for the conversion of the military industry, thus endangering the Canadian aerospace industry located in Montreal.

Right off the top, I have to say that this motion has great difficulty with one of the realities of the economic world today. We live in a global economy. The motion fails utterly and completely to address the question that Canada must be competitive in that world. It seems to state that looking for subsidies somehow seems to be the answer. I could not disagree more with

the thrust of the motion. I might wish to condemn the government for other things but that is certainly not one of them.

I would like to take a slightly different approach to this whole business and look at it from the industrial point of view, from the development of industry and, in particular, innovation and the science and technology thrust that ought to happen in Canada. One of the first of these is that Reformers encourage investment, not subsidization.

This country needs to develop entrepreneurs, risk takers, people who understand what it means to take a new idea and make it work. It is, after all, these innovators in this new technological world that are the engine of the new economy which is developing all around us.

We need to develop a culture that rewards entrepreneurship, innovation and research and ensures that there is a level, competitive and honest marketplace in which these people can operate. That is what we need. This motion does the exact opposite. It throws the whole marketplace and the honesty of the marketplace right out the window. Therefore, we cannot approve it for that reason.

If entrepreneurs are developed with the skills to be innovative and to take the necessary risks, we will develop the kind of fibre in the people who will make Canada strong and who will get us to the competitive position that we need.

In order to do that, we need to do something else. We need to encourage investment in capital structures, in buildings. We also need to develop investment in equipment. That is obvious. The one that is not so obvious is that we need to have investment in research and development.

Let me draw members' attention to what the president of Digital Canada had to say about Research and Development Canada: "By far, the most overriding issue is the investment climate for innovation in Canada". We have all heard stories of new Canadian inventions. These are not so new. They have been around for a while but they were new at one time. One was the heart pacemaker and the other was the variable pitch propeller. Both of these inventions were exploited not in Canada but in other countries because of the reluctance of Canadians to take risks.

It is unlikely that Canadians are any more risk adverse than anyone else in the world. They will take risks. However, we have always had taxation and fiscal policies that encouraged investment in enterprises that had hard assets to back them up as opposed to enterprises that were based strictly on knowledge. That is the direction we will be moving in the future.

I am so encouraged to see that at least some of our banking community is beginning to recognize this. They are beginning to recognize that we need to recognize assets that are not hard and fixed but rather rest really in the minds, the capabilities, and the skills of individuals.

• (1245)

Then he goes on to an example of a particular company. Guess which company it might be? The Digital Equipment Corporation, which was founded in 1957 with only $70,000 of venture capital. That was put up by a company in Boston called American Research and Development. It took 70 per cent of the equity in the company but also showed the founders of the company how to build and manage a successful company. The result was that when that company went public on the American Stock Exchange in 1966, less than 10 years later, that $70,000 investment was worth about $30 million. That is significant.

It was the tax provision that existed in the United States at that time that made it possible for these ventures to succeed as they did. We need to learn from these successful countries and do something very similar. It has nothing to do with the kind of subsidization that is being advocated in this motion.

We need to go one step further as well. Canadian investors and Canadian entrepreneurs need to recognize that they need to have a change toward venture capitalists. They seem to have the idea, which is only human—I am certainly like that—that if something is mine, it is mine, and I want it all.

When you get into the idea of venture capital, these people who have the deep pockets with millions and sometimes billions of dollars in them, and who are prepared to underwrite the venture, do not want to just give that away. They want to say this is a good idea and they want a part. The company we just looked at took 70 per cent but it became a $30 million investment later and gave a tremendous return to the owner.

The person who has the great idea needs to recognize that they have two options: they have all of the idea with no money to develop it, which means they will never make any money and never get rich; or they have the option of going to somebody who has a deep pocket, venture the thing out, share the major risk on the other side and get rich in the process as well.

That attitude needs to develop in Canada. It needs to develop among academicians. It needs to develop with our entrepreneurs. It needs to develop on the part of parents of people who are seeking success in the industrial world.

We need to move into another area as well. We need to get into the area of management. When we get into high tech specialized industries and we need specialized management as well. We need managers who understand science. We need managers who understand technology.

You can be the most brilliant scientist, the most brilliant technologist and understand all the machinations and all the intricate workings of networks and things of that sort, but if you cannot manage people it is no good. It takes a special kind of management skill to do this. We need to do that.

There are two skills I would like to draw to our attention today. The first of these is these people need to learn how to solve problems. That becomes the key. It is not so much are you able to push the button or are you able to program the computer, but rather can you solve a problem. Then you must recognize that you probably cannot do it alone and that your skills need to be combined with those of someone else, a third party and a fourth party, so that the group together forms a team. That team then begins to solve the problem. At different times different members of that team will become leaders. The whole concept of seniority and the other things that are traditional with us will go out the window.

This motion, on the other hand, says no, no, no, do not do that; just create a government program for this industry so that it can be diverted to peacetime operation rather than military operation. No. Government needs to encourage the development of balanced people who can do the kind of management we talked about. We need to give to the individuals who seek this kind of education an opportunity to do that.

Members in the House will remember that we proposed a voucher system of education so that the student, the researcher or the scientist who wants to advance himself becomes a person who selects where, when and into how much detail he will go to get that skill in development. It seems to me that is rather significant. Instead of having the university decide here is your program, here are your answers, come and get them, the student says no, he needs this kind of an answer and asks if they have this kind of expertise. He searches around until he finds it, gives he voucher to the institution and says he wants to do this. The institution benefits, gets the money and has the resources to give this student what he needs.

• (1250)

We need those kinds of things. We need new people, we need investment, we need all those kinds of things. We need to go beyond that as well. We need to develop a sound vehicle for the transfer of technology from the place where the brains are to where it is actually applied in a profitable way. Canada has a gap here. That gap is an inability to adequately, effectively and consistently transfer technology from the research bodies, usually universities and governments, to the development industries in order to provide strategic technologies for manufacturing, service and resource based sectors.

Usually the best way to do that is to collaborate between sectors. The centres of excellence do this to a degree, as does IRAP, but we need to do something a little more advanced than that. We need to support more industry driven networks like Innovation Place in Saskatoon. That is an example of how university, industry and government can collaborate and bring about true advancement in technology and the application of skill and innovation to new ideas.

It is becoming rather clear that some professors, who all want seniority and who all want these great salaries, are having great difficulty getting to the level of income they aspire to. At this particular centre of innovation these professors are driving the best cars around. They are living in the biggest houses. They have the kinds of bank accounts they have always dreamed about. Why? They have the willingness to take their intellectual property and work together with an industrialist or entrepreneur, to work together with certain elements of the government and say that together we can build a whole new way of doing things. They have succeeded in doing that, and congratulations to them.

There is something this government has done that is not too bad. It has financed a study called "The Commercialization of Research in Canada". Get a load of what this report advocates, which is very interesting. I hope the government has the nerve to do this: "Canada's universities should radically improve their intellectual property policies and processes for transferring scientific discoveries to industry or lose eligibility for government research grants". Madam Speaker, have you ever heard of this type of thing before? This is absolutely unbelievable.

The report goes on to state: "The policy should clearly articulate a university stance on the following issues: the responsibility of researchers to identify research results with possible economic or social benefits; electronic publishing; ownership of the intellectual property; a process for reporting and recording the facts of the case; routes and options for the protection of the intellectual property; options for revenue sharing; guidelines for technology transfers and commercialization, especially with Canadian based businesses; and exceptions to the policy in particular cases where a special contract is more desirable with the terms of the policy, such as in contract research, network research, or research involving a prior intellectual property". That is some of the most forward thinking I have heard in a long time.

It goes on: "Failure to develop such policies or to hire a person responsible for identifying and disseminating intellectual property and technology transfer policies to all individual researchers within the university should preclude all of the school's researchers from eligibility for government–industry targeted funding, such as granting council strategic programs".

Is that not a refreshing sound to hear? This would be absolutely amazing. Think of what this would do to the university. This would bring together for once the community and the academician. It would bring together the industrialists and the taxpayers who fund all this stuff in the first place and show how we can build a better Canada. That is the kind of motion we should be debating today, not the kind of motion that is before the House.

• (1255)

They are radical suggestions. Should they happen? Yes, they should happen. The reason they should happen is because Canada is in a globally competitive environment. Competition has become the imperative. It is a sad thing to say that science is not sufficiently recognized in the House. It is high time we recognized the significance of the role science plays in our daily life. We need to become aware that it is not only competition; it is also the role science plays in our economy and in our industry. While that may raise the ire of basic researchers who are afraid of having their work hijacked by economic demands, it must be accepted.

There will be an inevitable division between the traditionalists and the innovators. They will fight with each other. While neither can be excluded, the innovators must receive attention. The marketplace will ultimately decide that. Their time has come. They are the ones who can provide Canada with a foundation of economic independence. They will provide global competitiveness. The innovators are skilled in technology and science. The traditionalists, like all of us, will benefit from the country's wealth. Their task will not be lost; it will be assured. They will have jobs. We cannot let the naysayers turn us away from what is necessary. We must support the innovators, choose the path and move forward in that direction.

These are major new directions for our country. They are not easy to develop. They will not happen overnight. They require co–operation at all levels. I am very encouraged by some of the things that have happened recently. The important thing to recognize is that industry has to get into research. Industry must form consortia to share the costs of research.

I would like to address the comments of the Auditor General of Canada with respect to science and technology in Canada. He had some pretty serious things to say. With respect to some of the comments we should stand back and say wait a minute, is it really that bad? Yes, it is. He suggests that the lack of progress in previous attempts to produce results oriented action plans can be attributed to a lack of overall government–wide leadership, direction and accountability for implementing dramatic changes. That is probably one of the worst indictments anybody could make about the Government of Canada.

Seven billion dollars are spent on research and development in Canada. This country has a debt of $560 billion. We spend $7 billion on research. Not one of those dollars should be taken away. We need to spend that kind of money. In fact we should probably spend more. When the Auditor General of Canada says this money has not been focussed, has been spent in a manner that does not have a general direction, I say shame.

We need a focus. We need direction. We have been waiting for over two years for a policy on science and technology. It is still not here. I hope it will come very soon. We need it desperately. If we are to be an economically viable country, if we are to be competitive globally, we must come to grips with this part of our development.

We must oppose the motion. Instead of doing what the motion proposes, we need to encourage investment. We need to encourage innovation. We need to develop a new attitude toward venture capital. We need to develop specialized management. We need a sound vehicle for technology transfer. We need to recognize the value of collaborative research. Finally, we must take seriously the Auditor General of Canada's caution to get off our butts and get a focus and a direction for the country.

• (1300)

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Madam Speaker, I rise today to speak to the motion. The concept that the Government of Canada has not been working hard to ensure a strong aerospace industry in Canada is totally false. Canadian involvement in space and in the development of the Canadian space industry has been exemplary. The story of Canadians in space shows clearly that Canadians can solve problems.

In typical Canadian fashion we have been modest in singing the praises of Canada's accomplishments in space. I am here today to ensure that Canadian scientists, Canadian engineers and Canadian entrepreneurs get their full recognition in terms of the marvellous accomplishments they have made and are making in the name of Canada in space.

Canadians are space pioneers. More than 35 years ago Canada launched *Alouette*. We were the third country in space, a pioneer. It is the same today. Just last month we launched RADARSAT, the world's most sophisticated earth observation satellite. Canada is leading the world.

Last week we saw Major Chris Hadfield onboard NASA's STS–74 shuttle mission to *Mir* using Canadian technology to help bring together the Russian space station and the U.S. space *Atlantis*. The two events showcased Canadian technology to the world in an unprecedented way.

I welcome the opportunity to tell Canada's story in space and specifically to underscore today the very important role Quebec has played in this effort. Ours is an increasingly competitive world and governments cannot afford to invest time, effort and money in ventures that do not bring significant gains both to scientific knowledge and to economic and environmental benefits the world over.

Canada's space program is a growth industry, aligned with the new realities of information technology providing us not only wonderful new technology for manipulating in space but new communications technology. Canada is a world leader in this area.

The Canadian space industry provides employment for 4,000 Canadians and pulls in annual revenues of more than $500 million. Over the last decade the average annual rate of growth in the space industry has been 15 per cent, with Quebec a particularly high performer.

[*Translation*]

Over the past ten years, the space industry in Canada has grown annually by 15 per cent, with Quebec being a particularly strong performer.

[*English*]

The space program was established to meet Canada's needs in areas vital to our economy: telecommunications, resource management, surveillance and environmental monitoring. Satellite communications has been the way for the auto route of information, the information highway, the 20th century equivalent of the railway providing linkages that help bind the country together from one end to the other.

The Canadian space program is also driven by a desire and a political will to ensure the development of a globally competitive economy. In a fashion, all regions of the country have been able to draw on the government's space effort, to transfer space technology from government laboratories to the private sector and to capitalize on employment and economic activity generated as a result of this visionary program.

• (1305)

The province of Quebec and its aerospace industry have been beneficiaries of the program. The location of the Canadian Space Agency in Saint–Hubert on Montreal's south shore is testimony to the importance of Quebec in this national effort. It underscores Montreal's international role in space, in satellite communication and in the information age.

The space agency has brought several hundred highly educated scientific people to the greater Montreal area and has added to Montreal's position as a centre of high technology. I am particularly heightened by the fact that Quebec has shown considerable leadership in the program, the industries and the people of Quebec. More than $540 million in contracts have been won by Quebec firms since 1988, which is more than 35 per cent of budget of the space program.

Quebec's leadership position in the space sector is further reinforced by strong engineering skills and industrial activities. The RADARSAT satellite was built by the Spar aerospace facility at Sainte–Anne–de–Bellevue, as was MSAT, an advanced telecommunications satellite scheduled to be launched in the first quarter of the next calendar year. Mission control for RADARSAT is located at the space station in Saint–Hubert.

In building the satellite Spar was able to draw on the skills of a pool of highly specialized small and medium size enterprises that provided various components of the RADARSAT satellite. In economic terms some 60 per cent of the RADARSAT program was awarded to Spar and its subcontractors. This is just the beginning of the RADARSAT story.

Presently a study is under way to look at partnership arrangements for the next generation of RADARSAT to ensure commercialization of the RADARSAT system and launch of the second RADARSAT satellite. It is significant that a major Quebec based firm has become involved. I am referring to SNC–Lavalin, a firm that has successfully established itself as a world leader in project management.

Let me take a moment to talk about Canada's RADARSAT satellite. It is a remarkable Canadian achievement to have built and successfully launched a satellite earlier this month. The satellite uses radar to allow continuous monitoring of the earth's surface. Unlike most of the previously launched earth's observation satellites which cannot see through clouds and cannot therefore monitor much of the earth's surface much of the time, RADARSAT can monitor it continuously. By using the radar it can peer through the clouds and have a continuous assessment of the nature, the events and the changes on the surface of the earth.

Not only does Canada's RADARSAT provide a complete and continuous coverage of the earth's surface but it uses an extraordinary technology developed in Canada to provide a remarkably flexible, precise and complete coverage. RADARSAT can provide full coverage of Canada's Arctic area every 24 hours, full coverage of Canada's entire land mass within three days, every three days, and full coverage of the total surface of the world, of our globe, every seven days.

RADARSAT will provide for Canada and for the world a remarkably new tool to monitor crop development, to assess the status of crops, yield, insect infestations and all sorts of other things that may happen to the crops planted and to assess the status of forests, the growth, the harvesting, the regeneration and so forth. It is a wonderful tool with the ability to monitor the world's forests and specifically help Canada better manage its own forests.

• (1310)

It is very important for shipping to know precisely what is happening in terms of ice conditions like those in Hudson Bay or the northern Atlantic. RADARSAT will be able to provide that. The monitoring of water conditions to better control floods during spring runoff not only in Canada but around the world is a wonderful new technology that helps people the world over to live better and have a higher quality of life.

These are but a few of the potential applications of RADARSAT. Thanks to the foresight of our government, Canadian industries now have an extraordinary commercial advantage in RADARSAT. Canadian industry is well positioned to take advantage of the benefits of the new satellite. Canadians have expertise in the technology and are now actively marketing the potential of RADARSAT, its satellite system and its earth monitoring capabilities the world over.

I want to talk for a moment about the space agency in Saint–Hubert, home to Canada's astronauts. Chris Hadfield landed yesterday at the Kennedy Space Centre after a seven–day mission of historical dimensions. Here again Canadian content in a mission characterized by NASA as one of the most technically demanding ever undertaken by the shuttle program was significant owing to the Canadian role, the role of Canadian technology and Canadian astronaut Chris Hadfield, in bringing together the United States and Russia, the world's two space superpowers, in a successful partnership in space.

Marc Garneau, the first Canadian in space, paved the way for future Canadian flights on the shuttle. He will once again be space bound next year. Julie Payette is continuing her training and we expect this will lead to a flight opportunity in the years to come.

Canadian astronauts provide a wonderful role model for young Canadians. They are very important in a world where such role models are too infrequent. It is particularly significant as we try to promote the development of the science culture to have role models like Chris Hadfield, Marc Garneau and Julie Payette.

On behalf of the Government of Canada, the hon. Minister of Industry and I unveiled the second long term space plan in June 1994. We reconfirmed that Canada would be a significant contributor in space in the future. We reconfirmed that Canada would make a significant contribution to the international space station program, the largest scientific endeavour ever undertaken in the history of the world.

The program will break new ground in fields as diverse as biotechnology, physiology, material science and fluid physics, a new era in understanding space medicine, to name just a few. Canada will provide the technology that will make possible the assembly and maintenance of the world's science and technology institute in space. The operations of the Canadian contribution, the mobile servicing system, a leading edge robotics system, will be located in the space agency's facility in Saint–Hubert. Astronauts and space station operators from around the world will come to Saint–Hubert to train and to become knowledgeable about this very sophisticated and, one could say, intelligent robotic system.

I am proud to have been associated with the Canadian space program.

[*Translation*]

I am very proud to be associated with the Canadian space program.

• (1315)

[*English*]

Since we have become the government we have been privileged to participate in and lead many initiatives to ensure the continued prosperity of Canada and the Canadian Space Agency, to ensure the continuity of our Canadian astronaut program, to ensure a continued place for Canada in space, in new technology, in communications. Canadians are justifiably proud of our accomplishments. We should all be pleased with the social and economic benefits that come from this national effort. In today's information economy we are indeed fortunate that Canada has such a strong space program.

In closing, let me emphasize once more the important role and the foresight our government has played in leading the Canadian space effort. It has mobilized an effort that will transfer increasingly some extraordinary technology to Canadian industry and provide at the same time the technology that will help us monitor and improve the global environment.

[*Translation*]

This is our future, this is Quebec's future, this is Canada's future.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, I will be sharing my time with the member for Kootenay East. I hope my voice will hang in there. If you see my lips moving and no sound, you will know it has disappeared.

Today's topic is a rather interesting one. At this time I could see a lot better wording than might be part of this question. We should start off by saying as the last member has, how proud we are of our aerospace industry and of our astronauts. Certainly every time we hear the Canadarm mentioned, all of us feel proud of what we have accomplished. Our future is in the area of technology and that is certainly something all Canadians know and are proud of.

However, when we talk about this motion, about Canadian content and about the protection of some industries over others, I cannot help but go back a little bit in history. I cannot help but

go back a little bit in terms of what some of the other members are saying.

I cannot help but go back to the F–18 contract in Winnipeg. Obviously the lowest bid was there and the recommendations were there. The qualifications for doing the job were there. Certainly the people of Manitoba, the people of the west do not forget the party politics that were played in the decision to move the F–18 contract to Montreal. Now we hear the other side of that. Now we hear the fears that we are going to lose this industry for Quebec.

All of us are looking for a free enterprise system in which all parts of Canada are treated equally, where one part does not have favoured status over the other, where we stop playing party politics and we start getting down to what is good for Canada. That should be the emphasis instead of what we are talking about today.

We also have to look at the criteria when we look at defence contracts. Obviously we want to have Canadian content, but not Canadian content if it is not competitive. If it is not competitive, it better get competitive if that industry is going to survive. If it has to be subsidized and protected, then it is obviously very short term and very short sighted planning by that company and by this government.

We also must be aware of globalization and what that means. We are now in a global market. We now have NAFTA and the World Trade Organization. We cannot talk about protecting industry and protecting the inefficiencies of the past.

We have to talk about being competitive in the world. We have the training. We have the technology. We have the people. Let us not hide behind government, behind bureaucracy, or behind rules that set up how we are going to give contracts. Let us do it because we are the best. Let us do it because we are the most competitive and thus we will market our products around the world. That is what globalization and free trade means. It is what the World Trade Organization will mean in 10 years. Canada can do very well in that field. So, let us not be embarrassed and shy and not be out front. Let us not hide behind the past.

• (1320)

We could also be talking about the Department of National Defence today. We all know that it desperately needs new equipment. All of us know of the helicopters. My hon. seatmate here talked about helicopters falling out of the sky. Certainly the search and rescue people need that equipment, but let us have a game plan. DND must have a real game plan, what it needs and what it is going to do. It seems as though we get knee–jerk announcements. We have heard announcements about a $600 million expenditure for helicopters, but the minister does not know for how many. I could not believe what I heard in that announcement.

We obviously need all terrain vehicles. It was shameful what our troops used in the former Yugoslavia. With regard to armaments, we must keep modern and up to date and have the best for Canadians.

Looking at the budgets, we can see that for years we have been cutting budgets and we have increased the requirement for our armed forces. This has done nothing except to cause morale problems and equipment problems in the military.

We need to become diligent shoppers. That does not necessarily mean we have to buy in Canada. Remember, we must be competitive.

This is a very timely topic today. I would also like to know what provisions we have in place to prevent the patronage of the past which was so common. Everybody knew about it and it seems to have carried on into the present government. We need to make sure there are guidelines in place so that this does not happen again. It does not give politicians a good name and it certainly does not give Canadians a good name when this sort of thing takes place. We should not be politicians for sale.

We also have to ask questions about DND and the seemingly constant turmoil. It appears as though it is constantly having problems. No sooner does one crisis go away than a new one surfaces. We have to ask what it is doing to get its act together. That could easily be a topic for today.

I refer to the former deputy minister of DND. I wonder why approximately a year ago he quickly disappeared from the scene to go to the United Nations as if to get him out of town.

What about the EH–101s? How much did it cost to pay those off?

The hon. member across the way mentioned that we should be very proud of our students and graduates who are filling technical jobs. I am very proud of them but I am concerned because at the University of Waterloo for example, 91 per cent of graduates in the electronics area are going to the U.S. for jobs. I am really concerned about that. I am concerned that we spent that money on training. That is a costly resource and we are losing them because they cannot get a job in Canada. We must work on that because they are the best.

We have to talk about peacekeeping as well when we talk about armaments and DND. We need to know what to expect from our military. We need to have that game plan before we actually start talking about and worrying about the content of the equipment we are buying. We need to discuss it in Parliament. We need to discuss what those objectives and criteria are. We cannot keep doing things on a knee–jerk basis. We cannot do things where we have parliamentary debate and the decision has already been announced outside the House. We cannot keep doing that.

• (1325)

We need to do something to restore public confidence as well. There is a great pride in our Canadian peacekeepers. There is a great pride in what we have, but when we send them under-equipped and poorly controlled we have problems. We know what that has done to our reputation. We can talk about Somalia; we can talk about Rwanda; we can talk about the former Yugoslavia. All of those are problems which have hurt our reputation. We should be concerned about that.

We need to set up criteria. We cannot go every place. We are not equipped to do that. We do not have the equipment. We know that we must ask about the cost, not that cost is more important than lives, but that is the reality. We cannot go everywhere. We can only afford so much and we have to ask those questions.

In looking at these criteria we do need new equipment. We need to raise morale. We need efficiency. We need to get rid of the bureaucracy that seems to be causing all the problems.

In closing, rather than whining about competition and Canadian content, we should get competitive. We should worry about our place in the marketplace. We should demand a fair and open bidding system. We should get rid of the politics, the patronage and the old line political games that so often go on. That will do more.

Mr. Ron MacDonald (Dartmouth, Lib.): Madam Speaker, I listened with a great deal of interest to the comments made by the member opposite.

I commend the member for his deep interest in the Canadian Armed Forces but at some point we have to fish or cut bait. I am not exactly sure of the position of the Reform Party with respect to procurement policy for the Canadian Armed Forces. I have listened many times and I have heard the Reform Party talk about the wholesale cutting of departments, that what the government has to do first and foremost is to tame that debt and deficit monster. That means wholesale cuts across the board to departmental expenditures.

The member opposite knows full well that out of the non–statutory expenditures of this government, the previous government and the government before it, one of the largest envelopes of non–statutory expenditures is in national defence. What I am trying to ascertain from the member's comments is whether he agrees there should be new expenditures in national defence. If that is the case it may go contrary to what his party said particularly during the last election about going in and cutting those departments.

Is the member in favour or not in favour of the EH–101 contract and its process? Does the member believe and advocate that the government of the day go forward with further expenditures in defence procurement? In particular, I am speaking about the replacement program for the Sea King helicopters. The member mentioned quite correctly that some of the search and rescue and Sea King helicopters have had some difficulty because of their age. Unfortunately there has even been loss of life as some of those helicopters have gone down. I am not necessarily convinced it was because of the age of the helicopters.

I want to seek something clear and unequivocal from the member. Is he in favour of further defence procurement spending, yes or no? If the answer is yes, does he wish to see this government accelerate its procurement policy with respect to new helicopters? Would he and his party support the government spending billions of dollars for the replacement of the Sea King helicopters?

The hon. member talked a great deal about open procurement policies. What he said during his comments was that far too often these things are knee–jerk. Is the member not aware that a House of Commons committee travelled and came up with a report dealing with the future of the Canadian Armed Forces? In response to that report the government came out with the defence white paper which clearly outlines the government's policies with respect to national defence. Last, he says that before these big procurements are finalized they should be debated in the House. Is he an advocate that House time should be spent debating each and every procurement contract of the Government of Canada?

• (1330)

Mr. Mills (Red Deer): Madam Speaker, I am not sure I will get all 20 questions answered, but I will make an attempt.

We are saying that national defence must have better equipment. However before it gets better equipment, we have to target what we are going to do. We have to establish the criteria and then we have to do it.

He talks about the report that was presented. I was on the foreign affairs part of the committee and there was communication between the two committees. The point is that the recommendations were to cut from the top. That has not been done.

If cuts are made at the top that money will be available for the bottom. Cuts should not be across the board but certain things should be targeted. Some things are gone 100 per cent, other things will increase. The sort of slash and burn tactic that the member has in mind is totally not what Reform members have in mind because we will target. We will set our criteria and then we will have something that is efficient. We will apply the same efficiencies that business applies, which government has totally ignored for all these years.

It is a matter of going after the top. Government does not seem to be able to do that. It is too easy to cut from the bottom up.

As for the EH–101s, that should have been looked at very carefully. I am sure the government did, but did it know of the potential costs of the cancellation? Did it really look at all of that?

From what experts say the EH–101 probably was not the helicopter that was needed. What the minister is proposing is probably a good idea, but he has to have his act together. How much does it cost? How many are being bought? How many are needed? That is what has to happen.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, it is very interesting that we meet here today to discuss a Bloc Quebecois supply motion which attempts to get even more Canadian dollars to spend in Montreal.

On the basis of the number of dollars that have been sent to the province of Quebec from the so–called have provinces, Alberta, British Columbia and Ontario, one would think there would already have been a recognition of the tremendous amount of support there has been on the part of all Canadian taxpayers to the idea of the old line parties of attempting to buy the loyalty of the people, and I think of them as being in the minority in the province of Quebec, who would see Quebec secede from Canada.

It is also interesting that on this particular day we also note that the leader of the Bloc Quebecois has decided that he is going to continue in the House of Commons as Her Majesty's official loyal opposition, working his attempt to break up Canada, all the while waiting to become the premier of the province of Quebec.

I seriously doubt the sincerity of the motion being brought forward by the Bloc Quebecois. Indeed, in its own way it is rather mischievous.

Furthermore, after taking a look at the issue of whether there should be a Canadian content to our military procurements, it strikes me that it runs a very strong parallel to the attitude of this old line government, the Liberals and their predecessors, the Conservatives, relative to regional economic development grants. It falls into exactly the same category.

There seems to be a will on the part of the old line parties to create a national level playing field. In a matter of about 25 minutes, the auditor general's report on regional development grants will be released. It will be very interesting to be able to focus on a dispassionate review of how these grants have worked and whether a national level playing field has been created.

• (1335)

With respect to the issue of taking military product off the shelf, there is an over–arching issue. The over–arching issue is that Canada, at the federal level, is not taking into account the non–funded liability of the Canada pension plan, which is already over half a trillion dollars in debt. It is approximately $550 billion to $560 billion in debt. Much to the amazement of people when they actually take the time to think about it, the government is borrowing about $100 million every day to pay the interest on the money which has been borrowed. Therefore, when talking about necessary military equipment procurement, if there is a greater value for Canada's tax dollars, that must be paramount in the decision making process.

The idea of being able to intervene in the Montreal economy, or for that matter to intervene in the Canadian economy, is appealing. It certainly has been shown to have a tremendous appeal to members of the old line political parties. The $100 million which is borrowed daily will destroy our ability to fund health care, post–secondary education and the Canada assistance plan. Even old age security is under threat as a direct result of the desire of the government and its bedfellows, the Conservatives, to intervene in the economy.

If an off the shelf policy for these procurements can be created and achieve the savings which Canadians are looking for, then the question is: What would that do to business in Canada?

As a proud Canadian I am constantly impressed with our ability to compete. In the world there is no nation of people who are better able to adapt and compete. Canadians do not need this kind of over–arching government intervention to help competitiveness.

It also drives home the issue with which we were faced during the latter days of the referendum. I recall being told that the majority of Canada's CF–18s were at Bagotville, Quebec. I also recall being told that the vast majority of armaments, that is, the munitions for the Canadian Armed Forces, are in the east end of Montreal. When the Bloc defence critic, on the letterhead of the leader of the Bloc Quebecois, advised people in the Canadian army to desert and join the new Quebec army, I really have to wonder about the sincerity and the depth of thought which has been given to this issue by the Bloc Quebecois. Why in the world would we permit ourselves to fall into the situation in which there is even more investment in that field in Montreal when the people who are proposing this legislation are talking about separating Quebec from Canada?

The defence critic, I presume, is shepherding this motion through the Chamber on behalf of the Bloc Quebecois. His comments, in my judgment, were nothing short of sedition. You cannot be telling people in the Canadian army to desert. That is absolutely and totally unacceptable. I understand that a legal action has been commenced. I rather hope it has some success.

• (1340)

It is just about time to call a spade a spade. If the Bloc Quebecois was serious about this motion, if it really wanted to see Canadian procurement and if it is talking about taking Quebec out of Canada, how in the world can it not be seen as being totally contradictory? As a matter of fact, the two things are absolutely diametrically opposed to each other. They simply do not fit. In all good conscience, how could any Canadian go along with this motion?

To get back to the smaller issue of procurement, because truly the larger issue is that of the Bloc attempting to smash Canada, Canadians, because of the size of the debt, must demand value for their tax dollar. This motion simply would not achieve that.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I want to put a question to the member for Kootenay East. It has to do with the issue of Canadian content.

The greatest dollar value of exports, not just in terms of dollar value but number of jobs created in the country today in the manufacturing sector, is the automotive industry. The automotive sector represents the greatest number of jobs and exports. The foundation that has generated that reality today started when the auto pact was negotiated with the United States of America.

In that auto pact, percentages of Canadian content were negotiated. As the automotive industry was developed, the taxpayers invested in the foundation stages hundreds of millions of dollars in new equipment, in research and in the capacity to manufacture a world class, automotive, technology manufacturing capability.

When we have such a model of proven success in job creation in a sector that is bringing literally billions of dollars to the treasury right now when it is looked at in its totality, why should we not do a careful analysis to see if we could not create the same opportunity in the aerospace sector?

I realize the free trade agreement states that Canadian content can be dictated no longer. I opposed the free trade agreement which was one of the reasons why I opposed it. I felt it took a piece of our industrial policy making capability away from us. However, why would we not take a look at the aerospace industry in the same light as the automotive industry?

Mr. Abbott: Madam Speaker, I find that question to be very reasonable. There is a very significant difference between myself and the other member because I look at the aerospace sector and the procurement of any of these armaments, be they tanks or helicopters, as being dollars spent by Canadian taxpayers, whereas the procurement of an automobile is dollars spent by a consumer.

• (1345)

I also contest and simply do not accept the concept that Canadians directly invested dollars in General Motors or the Ford plant. These are multinational corporations that have their own investers and their own ability to borrow. While from time to time they have depended on ill–thought programs the various old line governments have come forward with, the reality is the dollars that are being invested are not only being invested by the multinational corporations but are being raised by multinational corporations.

I have a very significant difference of opinion with the other member. To underline the major difference I just spoke about, the dollars being spent on the procurement of equipment for our armed forces are Canadian taxpayers' dollars. The dollars being spent for the procurement of an automobile are being spent by the consumer.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Barely a minute remains. The hon. member for Charlesbourg will allow for an answer.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Madam Speaker, I would just like to say to the representative of the third party that, in his list of figures and in his comments, when he talks of surplus military equipment in Quebec, he is completely forgetting to mention the navy.

There is nothing in Quebec to do with the navy. It is to be found in the west and in the maritimes. As far as the F–18s are concerned, most of them are not in Quebec. He should go over his figures and inform himself better. As regards the awarding of contracts, I might propose this list here of the latest contracts worth more than $3 billion, awarded to Ontario without call for tender. In the west, the Western Star was obliged to accord part of this contract to Quebec—6.5 per cent. In another contract, there was no mention of Quebec at all.

All of this to say that often things are interpreted according to the figures or information one has available. I would simply like to point out to the member from the third party that, if he wants more specific information in order to have a better understanding of Quebec and its representatives, I would be pleased to provide it, because, unfortunately, I have run out of time.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, I will share my time with the hon. member for—

[*English*]

Mr. Abbott: Madam Speaker, on a point of order, I believe I was asked a question.

The Acting Speaker (Mrs. Maheu): Sorry, the time has expired. I asked him to take 30 seconds. Please go ahead very briefly.

Mr. Abbott: Madam Speaker, I would suspect that the member, along with many of the old line parties, sees the military as a make work project. We do not.

Second, I was not referring to surplus purchases. What I was referring to was that there was current active military equipment based in Quebec that under the Bloc Quebecois, under the separatists, would have ended up, as far as they were concerned, under their control in the event the vote had gone the other way. I do not think Canadians see that as being rational or reasonable.

[*Translation*]

Mr. Discepola: Madam Speaker, I will be sharing my time with my colleague, the hon. member for Broadview—Greenwood.

I am very pleased to take part in this debate, because I finally have the opportunity to set the record straight.

The Canadian space program, which has been running for 35 years already, has allowed Canada to carve out an enviable position among developed countries. Canadians have reaped benefits from it that have improved their quality of life, if only in terms of satellite communications.

It is with much pride that I point out the excellent work of the Canadian Space Agency, one of the most prestigious federal institutions which now has its headquarters firmly established in Saint–Hubert, near Montreal.

• (1350)

As a member of the government, I am proud to be associated with this success and to have been part of the agency's accomplishments since my arrival in the House.

The construction of its headquarters in Saint–Hubert, an investment of almost $80 million, has created, either directly or indirectly, almost 1,000 person–years. According to studies that were done to quantify the economic spinoffs of having the agency in Saint–Hubert, it is estimated that it has injected about $75 million into the Quebec economy annually, both in terms of salaries and the purchase of products and services.

These are the figures, but one of the main economic benefits of having the agency in Quebec is its impact on that province's industrial base. Here are some concrete examples: the development of new cutting–edge technologies in strategic sectors such as communications and data processing software; the international reputation consolidating Montreal's status as a global player; and the establishment in Saint–Hubert of other space facilities such as the RADARSAT ground control station, the control centre for the mobile servicing system and the astronaut and international space station operator training system.

One of the main social advantages is the training of the hundred or so students who come every year to specialize in high–tech areas.

Since 1988, Quebec has received over 35 per cent of the total budget of the Canadian space program, which means that $540 million worth of contracts are awarded to Quebec–based companies. Quebecers are among the main beneficiaries of the Canadian space program.

Spar Aerospace alone, which is located in Sainte–Anne–de–Bellevue in my riding, has received a significant portion of the contracts for the production of MSAT and RADARSAT satellites, which testifies to the excellence of Quebec engineers. RADARSAT, which was launched into orbit on November 4, is the result of more than 15 years of co–operation and political will. RADARSAT also ushers in a new global industry. The resulting global trade will contribute to the development of a new natural resources management and environmental monitoring business. And it is mainly in Quebec that this great project has materialized.

And that is not all. At present, a feasibility study is under way to gather all that is required to implement Phase II of RADARSAT. But what must be pointed out here is the participation of a new player, namely SNC–Lavalin, whose reputation as the world leader in large scale project management is firmly established.

The Canadian Space Program also promoted the diversification of several Quebec businesses, which have gained a world–wide reputation of excellence. Take these four for example: CAE Electronics, of Ville–Saint–Laurent, with contracts totalling $90 million; MPB Technologies, of Montreal, whose contracts are worth in excess of $16 million; FRE Composites, of Saint–André, with a total contract worth of $11 million; and BONEM, of Quebec City, with contracts totalling $4 million.

The need to adjust to new realities brought about by market globalization and by the growing importance of a knowledge–based economy represents a major challenge. In this context, it is important that we be able to define new partnerships between teaching institutions and industry. Like the other provinces, Quebec has displayed impeccable leadership. Fifteen years ago, there were no university programs to prepare for the future in high–technology sectors. Through an initiative of the Centre d'adaptation de la main–d'oeuvre aérospatiale du Québec, post–graduate programs meeting international standards were developed.

• (1355)

Today, a particularly innovative university–industry partnership has resulted in a master's degree in aerospace engineering being offered in five Quebec universities. This training strategy is proving to be very effective in enabling Quebec to keep playing a lead role in the space industry.

To invest in the space industry is to invest in our children. This vision born 35 years ago has not died; it keeps making Quebecers and all Canadians prouder and prouder.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I have a short question. Since it is almost two o'clock, I would prefer to begin my remarks after question period.

I would like to build on the member for Vaudreuil's point. He alluded to the notion of creating this infrastructure, which ultimately leads to exports. This is the point I was trying to make earlier to the member for Kootenay East when I asked the member of the Reform Party if he did not see the investment that was made in the automotive industry from the auto pact until the free trade agreement. Under the free trade agreement we do not have the same options of opportunity to invest in that industry, but thank goodness it has a great foundation now: the auto pact leads, in terms of job creation and exports, any sector in our country.

The point I was trying to make to the Reform Party is this infrastructure we have invested in within the province of Quebec in the aerospace industry now leads to tremendous exports not only in terms of military hardware, helicopters, et cetera, but also aircraft like the Canadair commuter jet, which is now being exported all over the world, creating jobs not only within the province of Quebec but across the country.

Could the member for Vaudreuil confirm for the House that the investments the Liberal government has made in the aerospace industry are now leading to all kinds of exports around the world, which ultimately means jobs for Canadians?

Mr. Discepola: Mr. Speaker, like the hon. member for Broadview—Greenwood, I am proud that the commitment by our government has always been to promote the industry and sustain the industry.

I am hearing from the industry that it is not after handouts. It really wants to be on a level playing field on an international scale. If we take a look at the successes in the aerospace industry, a major beneficiary of which is the region of Montreal, we would not have to look very closely to see the success of Canadair, the success of SNC–Lavalin, Bombardier, and recently the joint partnership that Pratt & Whitney announced with Russia.

If we are to allow this industry to promote itself and to grow, we have to give it the level playing field and the tools necessary for it to compete on a world scale.

* * *

REPORT OF THE AUDITOR GENERAL OF CANADA

The Speaker: Colleagues, I have the honour to lay upon the table the report of the Auditor General of Canada to the House of Commons, volume 3, dated November 1995.

[*Translation*]

I should remind the hon. members that, pursuant to Standing Order 108(3)(*d*), this document is deemed permanently referred to the Standing Committee on Public Accounts.

[*English*]

As it is two o'clock, we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, this year the Canadian National Institute for the Blind dedicated its annual review to the more than 20,000 people from across Canada who work as CNIB volunteers.

Volunteers work at all levels of the organization, from national policy development to fundraising to the support of core services. They enable the CNIB to do much more than would otherwise be possible, transforming each $5 donation into an estimated $100 of impact for clients.

The CNIB values its volunteers because the imagination, experience, purpose and insight they willingly provide would be difficult to buy at any price. Without volunteers its work would be unthinkable.

I am sure all members join me in recognizing and thanking those Canadians who give so generously of their time and energy in support of the CNIB.

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BEAVER RIVER

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, last week I drove 3,300 kilometres around Beaver River conducting my fall tour. I talked to hundreds of people at town hall meetings, school classrooms and in my office.

People are concerned about the government's bills on MP pensions, employment equity, gun control and so on. The thing they asked more questions about rather than anything else was the referendum. Everybody in the meeting asked now what.

This morning we find out that now what means another referendum. People at home recognize the distinctiveness of Quebec with regard to language, culture and civil law. Because the term distinct society is undefined they think it would be a lawyer's delight to see it enshrined in the Constitution as it would be wide open to interpretation. I even had a Liberal supporter ask me what part of no the Liberals did not understand in the Charlottetown accord.

We must move forward to the new Canada, not backward to failed ideas and plans. They did not work. They are not working and will not work. Let us scrap the unity committee of politicians and let the people speak.

* * *

UNEMPLOYMENT INSURANCE

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, overall reductions to benefits paid to recipients of unemploy-

ment insurance are adding to the welfare rolls of many provinces including Saskatchewan.

The cumulative impact of the cuts to the unemployment insurance program has been the addition of over 15,000 persons to the Saskatchewan assistance plan caseload at a cost of $63 million. In addition to the UI reductions, the Liberal government transferred responsibility for providing assistance to off reserve status Indians, adding another 10,000 people to the welfare roles at a cost of $38 million. In Saskatchewan, UI payments decreased by over 25 per cent from $410 million in 1992–93 to $300 million in 1994–95.

The Liberal government was elected on a platform of providing jobs. Instead it has thrown more workers on to welfare roles in Saskatchewan than ever before, adding to the burden of Saskatchewan taxpayers.

Canadians get angry when the unemployed are forced to live on welfare while in Ottawa a Liberal MP receives a free new suit simply for getting off his chair.

* * *

SPACE PROGRAM

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, congratulations to Chris Hadfield on his voyage in space and best wishes to members of his family in Peterborough riding: son Kyle at school in Lakefield, sister Pat Bowlar in Norwood and Aunt Caroline Kitchen in Peterborough.

A Canadian has now operated our Canadarm in space and it will be the prototype for a giant space crane. Next year Marc Garneau, one of our most distinguished astronauts, will be returning to space. He will be followed by yet another Canadian astronaut: three Canadians in space within a year and a half.

The astronaut program is one of the most successful features of the Canadian Space Agency which is based in Montreal but which has a nationwide science and technology network. Our astronauts have inspired students from kindergarten to Ph.D. III. They have had a healthy effect on all science and technology in Canada.

Canada is united in its space efforts. Let us remain united on this blessed portion of the earth's surface.

[*Translation*]

OFFICIAL LANGUAGES

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, ten years ago, Ontario recognized French as one of its two official languages before the courts. The province has since passed several provisions which have made it increasingly bilingual in the judicial field. In fact, a case can now be heard in French at any level of the provincial legal system, including that of the appeal court.

The Association des juristes d'expression française, which held its convention in Ottawa this past weekend, has always been at the forefront of the movement to improve our bilingual judicial system. This is a complex and difficult task, and I want to congratulate the association for its dedication and its determination in overcoming any obstacle to that very important goal.

The program benefits all Ontarians. It also shows that, in North America, the French language and culture have a much better chance of being preserved, and even expanding, in a bilingual Canada than in separate states.

* * *

• (1405)

GUN CONTROL

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the senators will decide tomorrow if they will oppose the House of Commons firearms bill. Some of us may be in favour of Bill C–68, some of us may be against certain provisions, but all members of Parliament would agree that the voice of the people of Quebec and of Canada has been heard on this issue, in this House.

The debates lasted a long time and many witnesses came to express their concerns. The federal government rejected most of the amendments put forward by the witnesses who appeared before the committee, and the Liberal members rejected the amendments proposed by the official opposition members.

However, Bill C–68 concerning firearms was passed by hon. members who were democratically elected by their constituents. Respect for our democratic values should, of itself, prevent senators from opposing this legislation. Whether they are Liberal or Conservative, these senators do not speak for the people, they only speak for themselves.

* * *

[*English*]

NATIONAL MEDICARE DAY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, a recent poll in the *Medical Post* says that 58 per cent of consumers and 76 per cent of physicians expect Canada's system of health care to get worse in the next 10 years. To

express the public's concern the Canadian health care coalition has declared today, November 21, National Medicare Day.

In support I must question the mixed up priorities of a government that maintains grants to businesses and industry, grants to special interest groups, grants for multiculturalism and official bilingualism and the latest list of waste and mismanagement in today's report of the auditor general but cuts grants to the provinces for medicare.

Recently the North Okanagan Labour Council brought the public's concern about medicare to the attention of the city of Vernon, the city of Kelowna, the district of Lake Country and the north and central Okanagan regional districts.

I salute all these groups for expressing their strong support for Canada's system of publicly funded health care.

* * *

BANKING

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, I commend Canada's major banks for their corporate citizenship in establishing a banking industry ombudsman. This will strengthen procedures for handling complaints from small business when the operation begins on April 1, 1996. Certainly the framework is welcome news to the small business community that has often voiced its frustration in dealing with lending institutions.

In addition they have announced the appointment of their own internal ombudsman. I know that Mr. Al Horton who resides in my riding has accepted the challenge involved in becoming the first ombudsman for the Bank of Montreal.

Canadians should know that expenses to operate the system will be borne by the banks and not by the taxpayers. The new framework will benefit the small business community, a sector that is vital to the Canadian economy and to job creation in Canada.

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ICELANDAIR

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, on Friday, November 10, I was pleased to join provincial counterparts, Iceland Ambassador Einar Benediktsson and Icelandair representatives in welcoming Icelandair to Halifax International Airport in Nova Scotia.

Icelandair is a 60–year old privately run airline. It is no mere beginner. It carries 1.2 million passengers every year. Icelandair will begin scheduled service to Halifax on May 14 next year. It will go from Halifax International Airport to some 20 destinations in Europe through Reykajavik. We in Halifax West and in Nova Scotia look forward to the tremendous potential this brings for tourism in Nova Scotia.

Icelandair recently held a Reykjavik to Halifax flight for Scandanavian tour operators, an important first step for this exciting tourism opportunity. Icelandair knows what more and more companies are coming to realize, that metropolitan Halifax and the province of Nova Scotia are good places to do business.

* * *

BRAIN TUMOUR FOUNDATION

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, brain tumour month is in October of each year. It has come and gone, but the challenge to assist those afflicted remains with us.

Over 10,000 Canadians are diagnosed each year with a brain tumour. A cause or cure has yet to be found for this devastating disease. The key to successful treatment of a tumour is early diagnosis which is only possible if people become aware of the signs and symptoms of the tumour. Researchers are constantly opening new doors to the possible causes.

The mission statement of the Brain Tumour Foundation of Canada is to fund brain tumour research, provide patient and family support services and educate the public. The foundation needs our support.

* * *

• (1410)

[*Translation*]

STRIKEBREAKERS

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, after voting in favour of an antiscab bill brought forward by the Bloc Quebecois in 1990, the Liberal Party is about to make an about–turn by refusing today to support the bill that I introduced in this House in order to prohibit the use of scabs during labour disputes.

Again, the federal government is giving in to Ontario and ignoring Quebec's legitimate demands. Need I remind members that the Ontario government has just abolished its antiscab legislation which protected workers in that province?

What the Liberal Party is about to do is totally outrageous. We hope that, when Liberal members rise in the House to defeat the bill this afternoon, they will realize that they are breaking promises they made to workers in Quebec and elsewhere in Canada.

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[*English*]

CANADIAN WHEAT BOARD

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, prairie farmers and western Canadians were

shocked and outraged to hear of the ludicrous benefits lavished on Canadian Wheat Board commissioners. For the last 15 years, wheat board commissioners have set their own perks and privileges that included eight weeks of vacation per year and severance packages of up to $290,000.

At last we have seen the reason for closed doors and secrecy at the wheat board. Since they are not accountable to anyone they have been able to fill their pockets at will. Shame on the Liberal government for not fully correcting an injustice by removing these benefits retroactively.

This is a damning reminder of the gold plated MP pension plan all over again, farm bankruptcies and fat cat wheat board commissioners. It is a prime example of the Liberal red book promise of equality.

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ATLANTIC CANADA

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, once again the Reform Party has insulted the intelligence of the people of Prince Edward Island and the rest of Atlantic Canada. The statement yesterday by the member for Vegreville oozed with contempt not only for local politicians but for the people themselves.

This patronizing, condescending attitude comes from a party whose solution for the problems of Atlantic Canada is simply to move people out. It comes from a party which opposes any form of regional development funding for Atlantic Canada. It comes from a party which espouses the belief that the only Canadians who deserve full health care are those who can afford it. It comes from a party which would replace the development of self–reliance in strong communities by an individually oriented survival of the fittest type society.

Perhaps most significant of all, it comes from a party that received less than 1 per cent of the popular vote in P.E.I. in the last federal election and will receive less in the next federal election.

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[*Translation*]

LEADER OF THE BLOC QUEBECOIS

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, this morning, the Bloc Quebecois members were the first to learn, directly from their leader, that he had decided to run for office as successor to Jacques Parizeau as leader of the Parti Quebecois. In our hearts, sadness was followed by pride and confidence that this extraordinary man will help the Quebec people achieve their legitimate ambitions with respect to their destiny.

We are all aware of the great qualities of this man and we know he will muster the creativity and the energies of all the people, in order to meet the many challenges that we, Quebecers, will have to face.

We are proud of the work we did with him. His decision sets a milestone in our common struggle for Quebec because our leader and the Bloc Quebecois is engaged in the same struggle, the struggle of the Quebec people.

* * *

[*English*]

ATLANTIC CANADA

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, lately Reform Party members have been spending a lot of time talking about Atlantic Canada. They have made a couple of trips east and now claim to be instant experts on our region.

For example, these Reform experts believe that the Atlantic fishery is dead, even though it was worth over $1 billion last year; that we should have been softer on foreign overfishing, and that the federal government should get out of Hibernia, despite the fact that it creates thousands of jobs and means millions of dollars to the Newfoundland economy.

• (1415)

As a Newfoundlander born and raised, who lives and pays taxes in St. John's East, I would like to tell the third party what we do not want. We do not want the Reform slash and burn agenda, which includes massive cuts to UI, health, and regional development. We do not want the Reform plan for a flat tax, which would guarantee that poor people are taxed at the same rate as the rich.

It is clear that Reform's ignorance is far greater than its knowledge of Atlantic Canada.

ORAL QUESTION PERIOD

[*Translation*]

RAILWAY TRANSPORTATION

Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ): Mr. Speaker, my question is for the minister responsible for regional development in Quebec.

Yesterday, it was announced that CP Rail's head office in Montreal will be closed and relocated to Calgary, leading to the loss of 710 jobs in Montreal. CP Rail justifies its decision by saying that an increasingly large portion of its activity is centred in the western provinces. Ottawa's policies have always supported western railway development at great cost, while encouraging rail cutbacks in the east.

Does the minister acknowledge that CP Rail's move to the west is the result of the discriminatory policies that have always been practiced by the federal government with respect to rail transportation?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, it is always regrettable when there are layoffs in any sector. I know how difficult job losses are for any community. However, this was a decision made by a private corporation whose board of directors had to take into account their competitive situation not only in Canada but in North America.

This decision made by CP affects a number of people across the country, including a 28 per cent change in Toronto, a 20 per cent change in Vancouver and a change in Montreal.

On the broader question of what this government is doing to ensure that we have a competitive, affordable transportation system in this country, the member will know because he is a member of the Standing Committee on Transport, that we are determined to ensure that we have a competitive, affordable railroad industry so that our shippers and our customers can be well served and we can continue to create jobs in the export market.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, be that as it may, given the extremely negative impact of the federal government's discriminatory policies on Montreal, what does the minister responsible for regional development plan to do to compensate for the loss of 710 jobs as a result of the CP Rail move to Calgary?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, it should be noted that the eastern headquarters of CP's operations will continue in Montreal. Over 2,500 good quality jobs for CP will remain in Montreal.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, Montreal has the highest number of poor families in Canada, and one of the highest rates of unemployment.

What hope do Montrealers have left, in the wake of the problems created wholly by the federal government which lead to unemployment, job loss and poverty in this major Quebec centre?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Liberal): Mr. Speaker, if one looks at the assistance to small and medium business provided by this government, if one looks at the federal policy on the pharmaceutical industry, if one looks at the assistance to the aeronautical industry located in Montreal, it is very clear that the federal government has the well-being of Montrealers at heart.

Now the time has come to address the economic agenda and drop the political agenda of the Bloc and the PQ.

• (1420)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, after thousands of jobs were lost as a result of a decision by CN to streamline its operations, a decision that severely affected Montreal, this city now faces a decision by CP Rail to move its headquarters.

Since the federal government is responsible for a shift in railway operations towards Western Canada and it has done nothing to contain the negative impact of downsizing by CN and the CP headquarters move, what excuse does the minister responsible for regional development have for failing to deal with the major economic problems that have affected Montreal in the past two years?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I am happy the member has just mentioned CN because this government has privatized CN, the largest share issue in Canadian history and it has gone extremely well. Over $2.2 billion will come back to this government and this country by virtue of CN's privatization.

Second, it should be noted that Bill C-101 builds on creating opportunities for the creation of short line railroads in Quebec and throughout the country, creating jobs, creating businesses. That is what the government is committed to doing, creating jobs and opportunities across the country.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the inference is that a member from Ontario is looking after regional development in Quebec.

This government claims to take care of the real problems of Canadians. Well, the minister responsible for regional development identified Montreal's real problems back in June 1992. He then referred to innovative policies for defence conversion and a general upgrading of the industrial infrastructure.

Since he has done nothing to stop unemployment in Montreal and has in fact done the exact opposite, why does he not implement a program for the economic renewal of Montreal, as he suggested in 1992?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in the past year 66,000 new jobs were created in Quebec. These new jobs were created thanks to this government's policies.

The hon. member referred to the national infrastructures program. This program has helped to create hundreds and thousands of jobs in Quebec. The Bank of Canada's monetary policy has helped to bring interest rates down. The Canadian government's tax policy has helped to reduce the deficit—

meanwhile, the Quebec government did nothing—which has given Quebecers something to look forward to. I am very proud of our record.

* * *

[*English*]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Leader of the Opposition has decided to depart this chamber for Quebec City. He is going to prepare for one last attempt to take Quebec out of the federation.

The task in this Chamber is to prepare the case for federalism and to do so with a clarity and a vision that was completely missing from the last referendum campaign. In the dying days of that campaign, the Prime Minister belatedly promised to fundamentally change the way the federal government operates. He promised quick action.

Is the Prime Minister ready to act? What action does the Prime Minister propose to fundamentally change the way federalism operates so as to strengthen the case for federalism like it has never been strengthened before?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we said there were to be some changes and we will proceed with some changes.

For example, we started more than a year ago signing agreements with nine provincial governments to eliminate the duplication that is mentioned on this side of the House and the other side of the House. We hope we will be able to do the same thing with the new government in Quebec so there will be less duplication.

We will look at what can be done in terms of making the federation work better, but I do not believe that dismantling the federal government will solve the problem. We need a strong federal government that has an active presence in all parts of Canada and in Quebec. That would solve the problem. It is not by dismantling Canada to make a community of 10 communities that we will succeed, as is the proposition of the leader of the third party.

• (1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, no one has argued in favour of dismantling the federation. This is typical of so much debate in the Chamber. No one debates anyone's real position. The position is moved off to the extreme and they debate the extreme, not the real position.

The fact of the matter is that 60 per cent of Canadians outside Quebec and 80 per cent of people in Quebec want some change in the alignment of powers between the federal and provincial governments. They want control over natural resources, social services, language and culture to be in the hands of the government closest to them, and that is not the federal government.

When is the government going to do something practical and concrete in response to this desire for change and a realignment of the powers between the federal and provincial governments? This is not dismantling; it is realignment.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is value to having a federal government. For example, on this side of the House we are strongly in favour of a medicare system that is equal for all citizens in every part of Canada. It is not only the desire of the people of Alberta, B.C. and Ontario; the people of Quebec want free medicare through which all Canadian citizens and all citizens of Quebec can be admitted to the hospital not because they have money but because they are citizens.

When the leader of the third party talks about dismantling the five conditions of medicare he is on the way to dismantling the country.

When we were fighting to keep Canada together, it was not very useful for the leader of the third party to talk about the Constitution. That was the time to talk about national unity and jobs for all Canadians.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the weakness of the Prime Minister's answer profoundly disappoints.

We were looking for action and all we got from the government was a committee. We were looking for statesmanship at a time of national crisis and all we got was political cheap shots. We are looking for strength and all we get is tired old answers and weakness.

The Prime Minister makes a profound mistake by interpreting the demand for decentralization in Quebec or anywhere else as the dismantling of federal programs.

When is the federal government going to propose some major change in the alignment between the powers of the federal and provincial governments?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are working every day to make the federation more efficient. But I am not working from the basis that we have to destroy the federal government to be successful. We believe there should be a resolution that is a two–way street, not a one–way street of devolution.

It has always been my position that there are some things the federal government should do for the good of all Canadians. That is exactly what we are trying to do.

The leader of the third party is always talking in terms of weakening the central government. If we do that, at the end of the road we will not have Canada any more. We are fighting to keep Canada united.

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, my question is for the minister responsible for regional development in Quebec.

In his report tabled today in the House, the auditor general casts doubt on the ability of the Federal Office of Regional Development—Quebec to create sustainable jobs and revenues. In Quebec alone, since 1988 FORD–Q has spent $1.15 billion on businesses and organizations without first verifying their financial viability. Of 11 businesses examined, five had to close their doors before receiving the final government subsidy payment.

• (1430)

How does the minister explain that, in the midst of a public financial crisis, FORD–Q is incapable of awarding federal funding more judiciously? Why is it taking so long to put a stop to this endless wasting of taxpayers' money?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, just in the years the member mentioned—between 1988 and 1994—, the Federal Office of Regional Development—Quebec committed $1.1 billion. This commitment generated investments of $6.4 billion in over 4,000 projects in Quebec. This is job creation, and we are proud of it.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, the auditor general indicates that program overlap in regional development is a source of waste, as we all know, and that FORD–Q had no influence on the policies of other federal governments.

Will the minister finally understand that the federal government must get out of this area of jurisdiction and transfer the funds to the provinces, which are in a better position to act, in any case?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I think the report the hon. member is reading is different from the one I have.

First, I would point out to the member that most of the criticism of FORD–Q applies to the 1980s. Things have changed since then. That is, the programs of the 1980s cannot perhaps be adapted to the 1990s. This is why FORD–Q completely changed its programming in order to create an SMB access centre, which has led to hugely successful SMBs.

I would like to quote from the auditor general's report: "The development of the new programming framework is the result of strategic reflection. FORD–Q's approach is well structured. Roles and responsibilities were clearly defined, and appropriate mechanisms put in place to ensure activity co–ordination and follow up. Our examination revealed—this is the auditor general speaking—that the department had given reasonable consideration to information on past activities and on its internal and external environments".

The auditor general congratulated us, and I would like to congratulate the department officials here today.

* * *

[*English*]

FOREIGN AFFAIRS

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, reliable sources confirm that foreign governments are very upset about our SIGNET program of communication between our embassies and Ottawa. SIGNET is leaking. SIGNET is leaking not only our information but the information of our allies.

What has the Minister of Foreign Affairs personally done to respond to the complaints of our allies to ensure that the secret information in SIGNET is kept secret?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as I said yesterday in the House, the government does not discuss security or intelligence matters.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, that is the same answer I have been getting as I have tried to research this through various people. I have talked to the acting director of SIGNET and I have talked to security. It is our allies who are telling us to do something.

In opposition the government whined about patronage, whined about SIGNET costing too much, whined about the $100 million that was being spent. Now the government risks losing not only international trade, it also risks losing co–operation with our allies and losing our reputation. What is the minister going to do to change this?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I see that the hon. member has been reading some press articles which have motivated him to ask questions in the House.

I want to assure him that the system is fully operative. It is working to the satisfaction of the government and to the people who are using it.

* * *

• (1435)

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, my question is for the minister responsible for FORD–Q. In the report he tabled today, the auditor general points at serious flaws in the management of federal regional development programs. He states, among other things, that since 1988, the federal government has spent $4.5 billion for these programs without

knowing if they have really helped create jobs and if they were properly spent.

Does the minister responsible recognize that it is inadmissible to spend $4.5 billion, $1.15 of them in Quebec, without any clear creation of jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as a mater of fact, quite a number of jobs have been created as a result of the Federal Office of Regional Development's activities. I can tell you that whenever I visit one of the 13 FORD–Q offices in Quebec, and meet business people, I meet individuals who have created jobs thanks to the federal office's activities.

Indeed, if there were problems with program evaluation, the department recognized them and this is the reason why we changed our programming and the way we operate. I do accept the member's congratulations on our new programming.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, obviously, the minister of finance is skating around the issue, but the auditor general was very clear. Since the auditor general has pointed out that FORD–Q's methods for evaluating program spinoffs are flawed, does the minister intend to take corrective actions so that taxpayers may have a clear and correct idea of reality?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we did that two years ago.

* * *

[*English*]

AGRICULTURE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, my question is for the Prime Minister.

His minister of agriculture was to release the final report of the Canada–U.S. Commission on Grains two and a half months ago on September 11. The minister of agriculture is rivalling the Prime Minister and the Minister of Human Resources Development in the do nothing department.

My question stems from his promises to launch reforms to a number of key agriculture areas based on numerous reports and studies. Can the Prime Minister tell the House why he allows his agriculture minister to delay the Canada–U.S. joint commission report, even though the commissioners who have drafted the report have suggested the content is complete and is similar to material released in the interim preliminary report?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I rise to take this question on behalf of my colleague, the minister of agriculture. Let me confess that I do not have the kind of knowledge this question requires to give a good answer. But I do know that the best minister of agriculture who lives and breathes on the North American continent today sits to my left in the House of Commons.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the Minister of Fisheries and Oceans knows no bounds in his attempt to become the replacement for our current Prime Minister.

One wonders if the minister's delay has more to do with the fact that the report will give legitimate fodder for those farmers calling for the reform of the Canadian Wheat Board. The minister indicated yesterday in the House on a plebiscite that "this plebiscite was not the be all and end all of wheat and barley marketing". It seems that the minister fears allowing producers the right to determine how they market wheat and barley.

Does the joint commission's report contain definitions and content that the minister is withholding from the public's view because it might influence the outcome of the Alberta plebiscite on wheat and barley marketing toward an outcome the minister does not particularly want?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, even a minister of fisheries knows you cannot put the cart before the horse. The reality is the plebiscite results will not be released until December 5. The member opposite would be the first one to stand and complain if the minister of agriculture came to conclusions in advance of knowing the plebiscite results and finishing the consultations.

Be patient and a very excellent minister will do a very excellent job as usual.

* * *

• (1440)

[*Translation*]

DIPLOMATS

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Canadian diplomats are having the government pay for plane tickets that they do not use, and then getting refunds from the airline and pocketing the money. This practice is such that a diplomat posted to Australia with his family can derive benefits equivalent to one third of his annual pay by cashing in his plane tickets.

Given that his government is asking all Canadians to tighten their belts, how can the Minister of Foreign Affairs justify tolerating such an outrageous practice benefiting diplomats?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member is not up to date. Had he attended the foreign affairs standing committee's meetings, his question would have already been answered, because this issue was raised and an answer provided in committee.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, we have raised this question in this House before, but never got any real answers. That is why we are asking it again today.

Could the Minister of Foreign Affairs explain to Canadian taxpayers why he refuses to immediately put an end to this practice, which is unacceptable at a time when UI benefits are being cut back to replenish the state's coffers?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, perhaps the hon. member did not like the answer he was given. As a matter of fact, he has just confirmed having received an answer. He may not like it, but he must understand that arrangements between government employees and Treasury Board are made under the applicable collective agreements, which are honoured by the government.

Should we exceed our powers and not comply with the terms of these arrangements, the hon. member would be the first one to complain that we are not respecting collective agreements.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, we were all very proud to see Canadian astronaut Chris Hadfield return safely to earth yesterday from a successful eight-day mission aboard the space shuttle *Atlantis*.

This government has made it clear that it is very important to establish spending priorities that meet the needs of Canadians. Would the Secretary of State for Science, Research and Development please tell this House what exactly are the benefits Canadians receive from space flights like the one Chris Hadfield returned from yesterday?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, I thank the hon. member for his question. It is true that sometimes when we are deep in snow on the ground in Canada it is nice to have the sort of inspiration and hope which is provided by Chris Hadfield up in space using Canadian technology including the space vision system to link in partnership in space two former cold war protagonists.

I should add as well that earlier this month we launched RADARSAT which is positioning Canadian entrepreneurs competitively in the global earth observation market with some very new technology. It provides some remarkable advantages as well in monitoring and being able to improve the quality of our global environment.

* * *

EMPLOYMENT

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, my question is for the minister of public works.

The auditor general accuses the regional agencies of inflating the job creation numbers. Jobs are counted twice, part time jobs are considered full time jobs and jobs that no longer exist are counted as jobs. This is a serious indictment against this government whose jobs platform has been shredded to pieces by the auditor general's report.

Will the minister admit to Canadians that the government's job creation strategy through borrowed money, infrastructure programs and regional development agencies is a $10 billion failure?

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. It clearly indicates to the House the clash of ideologies between this party and that party. The ideology of that party as it relates to Atlantic Canada is one of "will the last one leaving please turn off the lights". It is migration out for the Reform Party when it relates to Atlantic Canada.

• (1445)

I welcome the auditor general's recommendations. We have moved on many of them and hope to live up to almost all of them in due course.

In the agency I represent two national reputable firms surveyed 1,150 of the various private sector companies that received financial assistance from ACOA. They told us that 96 per cent of the jobs the firms said they were going to create they did create.

The auditor general surveyed 51 companies and he found that some of the precision, if you will, of the reporting could be improved on, and we will do so.

He also said:

> Our findings, while based on a significant portion of the reported jobs created, cannot be used in place of the survey as an estimate of the jobs created by the Agency's clients.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, let us take a look at some examples. While the government was downsizing the fish processing industry, it spent $2.2 million to upgrade a fish plant. This caused a neighbouring fish plant to close down. The 250 jobs that were created were stolen from the other fish plant. The second one closed down in 1994, yet somehow these 250 jobs that disappeared entirely showed up as job creation.

Will the minister tell us on what basis jobs stolen, jobs lost, jobs eliminated and money wasted will count as jobs created?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member is totally incorrect. The reality is that our particular agency vastly underestimated the number of jobs which were created in our region.

The auditor general reviewed only two programs. He did not review the contribution that entrepreneurs and tourism, for example, made to the Atlantic economy.

The hon. member might be interested to know that notwithstanding the difficulties in the fisheries in Atlantic Canada, the Ministry of Fisheries and Oceans, and in particular the minister, can confirm that we do have in many parts of Atlantic Canada a viable fishery. That fishery can grow. It can be enhanced. It has to have the leadership of the private sector and as a regional agency we want to work with them in order to enhance that.

* * *

[*Translation*]

AGUSTA

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the same day the government announces its intention to call for bids on 15 new search and rescue helicopters, the Minister of Public Works and Government Services announces the conclusion of an agreement with Agusta to break the contract for the EH–101s.

My question is for the Minister of Public Works and Government Services. Are we to understand from the announcement of this agreement with Agusta that the government has given up trying to investigate the circumstances surrounding the awarding of the contract for the EH–101s, which is what the present Minister of Human Resources Development was calling for when he was in opposition?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I do not know about the appropriateness of the question in view of the fact that I believe it is the subject matter of the opposition day today.

Let me repeat what I have said on three separate occasions. The Government of Canada has entered into negotiations concerning termination costs for two contractors with the Government of Canada. We were successful with one. We have held very long, very exhaustive negotiations with E. H. Industries on termination costs. We have reached agreement. I hope to be able to provide the details in due course, but because of certain confidentiality rules I am not at liberty to provide that today.

I said before on the floor of the House of Commons and I have said it outside of the House that this particular matter has been resolved. When the details become available to all members, they will realize that the Government of Canada has achieved its particular objective.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, given Agusta's involvement in dubious events in Belgium during negotiations for a similar helicopter contract, and given that the contract for the EH–101s was negotiated at the same time as the one that was the focus of the scandal in Belgium, how can the minister persist in his desire to pay hundreds of millions of dollars in compensation to Agusta, without a preliminary investigation?

• (1450)

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, once again the hon. member is incorrect. It is not compensation. It is termination cost. We have reached agreement. In due course, the details will be provided to the House.

* * *

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the Fisheries Council of Canada wrote to the Minister of Fisheries and Oceans on November 10 graphically pointing out that the government spends more than five times as much as Norway and ten times as much as Iceland on fisheries administration even though both of these countries catch more fish than Canada.

Will the minister admit that his department's spending on fisheries administration is totally out of control and must be drastically reduced if Canada's fishery is to remain viable and competitive in the future?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I do know a few things about fish. I will not make any admission that the cost of administration within DFO is totally out of control.

I know the member will want to carefully do his homework with respect to making representations on behalf of the Fisheries Council of Canada. What he should know is that the Fisheries Council of Canada said that we should have a fishery more like New Zealand. In New Zealand 73 per cent of all the quota available in the whole country is held by only eight companies.

If the Reform Party is seriously suggesting that some 64,000 fishermen ought to disappear so that eight corporations could hold 75 per cent of the quota, then the member should say so.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, it is unfortunate that the minister insists on spewing his bilge in the House rather than answering questions.

Some hon. members: Oh, oh.

The Speaker: I am not sure about all the terms that are used in fisheries and oceans, but I do not think that was very nice. I would ask the hon. member to be a little more judicious in his words.

Mr. Scott (Skeena): I apologize, Mr. Speaker. We are not talking about changing the structure of the Canadian fishery. We are talking about getting the cost of administration under control.

The fisheries council states unequivocally that the minister's plans to drastically increase access fees will make Canadian fishermen even less competitive in world markets.

Will the minister commit to reducing spending in his department by $50 million rather than saddling Canadian fishermen with another $50 million in new access fees which are nothing more than a tax?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I hope the member knows the difference between bilge and bunk because what he is spewing now is bunk.

Some hon. members: Oh, oh.

The Speaker: I am not sure I understand but I would like the hon. minister to get on with his answer.

Mr. Tobin: Mr. Speaker, the member has asked a specific question, will I cut the department of fisheries by $50 million? The answer is no. I am cutting it by $250 million.

I want to advise the member that it is not the Fisheries Council of Canada that speaks for the fishermen, it is the Harvesters Council. We met them last Monday and the member should try doing the same. Talk to a few fishermen once in a while.

* * *

CANADIAN PACIFIC RAILWAYS

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, my question is for the Minister of Industry.

Would the minister say whether the CPR consulted with or advised the government before cutting 700 jobs in Montreal yesterday and shifting its headquarters to Calgary? If so, what reasons were given? Does the government have a plan to deal with this additional loss of quality jobs in the Montreal area?

• (1455)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, as the hon. member knows, the decision by CP Rail was one taken by a private company. I have no knowledge of nor reason to believe that the company or any of its directors either consulted or gave information to the government in advance of that decision.

I point out that it is always regrettable when jobs are lost in any community. However, if we are going to address the ability of the private sector throughout Canada to create jobs we are going to need to do it in a way that enhances and enables the private sector to invest and thereby stimulate growth and jobs.

It would seem to me that it would be very advantageous for the city of Montreal if the kind of co–operation that was offered by the Government of Quebec was such that companies potentially investing or staying in Quebec could feel that they were doing so in an atmosphere of political stability and where they could have confidence in seeing their investments grow and improve.

* * *

[*Translation*]

ASSISTANCE TO RESEARCH

Mr. Yves Rocheleau (Trois–Rivières, BQ): Mr. Speaker, my question is for the Minister of Industry.

There will be serious budget cuts in 1995–96 and 1996–97 for the research funding councils. For instance, the Natural Sciences and Engineering Research Council budget for that period will be cut by $142.3 million.

Is the minister aware that cutting assistance to research carried on outside federal laboratories will penalize Quebec most heavily, because this is the type of federal merit–based research funding in which Quebec receives a fair share?

[*English*]

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, I would like to reaffirm to the hon. member that decisions made by the granting councils, and in particular the Natural Sciences and Engineering Granting Council to which he referred, are taken impartially with reviewers from across Canada in a way that is fair and recognizes excellence.

I am pleased to say that from the point of view of Quebec, Quebec scientists and researchers are doing very well competitively and, from the granting councils in general, they receive their fair share and often very much more than that. It is a good compliment to Quebec, under the circumstances, with the granting councils operating fairly.

JUSTICE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, my question is for the Solicitor General of Canada. In 1987, Wanda Woodward was strangled by Daniel Gingras, a convicted murderer who was out of prison on a birthday shopping pass.

Six years have passed since the family filed suit for damages against the prison system. To date, the case has not been settled nor has an apology been issued to the Woodward family.

Only a few weeks ago, the solicitor general eagerly defended Correctional Services Canada for a $12,000 payout made to convicted murderer John Lee because Lee was beaten up in jail.

If a criminal such as Lee is paid off so quickly and those actions defended by the minister, why is he not coming to the defence of the Woodward family and their plea for just compensation for their daughter's murder?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, when this matter was brought to my attention I began looking into it. I can say that discussions are under way between the lawyers of the Department of Justice and the lawyers for the plaintiff.

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LAND MINES

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs on the subject of land mines which kill or maim some 2,000 people every month.

Mines Action Canada, Dr. Chris Giannou and others working for a total Canadian ban on the stockpiling, production, export and use of land mines welcomed the minister's recent statement supporting these objectives.

Will the minister confirm the government's intention to implement this important new policy? Will he also tell the House when this new policy will take effect?

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I have said on several occasions, the objective of the Government of Canada is to eventually completely eliminate the manufacture, export and use of land mines. There are, of course, a number of countries doing this. This is why discussions are under way in the UN to gain acceptance of this objective by all countries.

• (1500)

Canada has already taken part in some meetings and will play an extremely active role in the next, to be held in Geneva early this coming January, in order to gain worldwide acceptance of the objective we are pursuing.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, my question is for the Minister of National Defence. It involves the contracting out of household moving services for the furniture and effects of employees of the federal government. The moneys involved are in excess of $100 million annually.

Will the minister inform the House as to what steps he has taken to ensure greater competition in awarding the moving contracts, which will result in savings to the taxpayers of Canada?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, in response to my hon. colleague, I have to tell the House that the interdepartmental committee on household goods removal has sought to deliver household goods in a more cost efficient manner.

The committee, in consultation with industry and all members of the House from four different parties, has developed an approach that basically responds to and is approved by the Bureau of Competition. It develops a strong potential for saving, increases the level of competition and access by new entrants and moderates the implementation risks involved.

I am pleased to inform the House this is a better method of moving. I think it is agreed to by all members. I thank all those who co–operated in the consultations.

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PRESENCE IN GALLERY

The Speaker: I wish to draw your attention to the presence in the gallery of the Hon. Louise Dacquay, my sister Speaker of the Manitoba Legislative Assembly.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

STANDING ORDER 109

The Speaker: This morning we had a point of order raised by the member for The Battlefords—Meadow Lake. The hon. parliamentary secretary wants to speak to this point of order.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, in response to the hon. member for The Battlefords—Meadow Lake and the point of order he raised this morning about the government's lack of response to a report of the Standing Committee on the Environment, I understand that the report of the committee was a very lengthy one and involved 141 recommendations for change to the Environmental Protection Act. That act is currently under review in light of the committee's recommendations.

The government is preparing a response, but because of the length of the report and the very complete report that was tabled by the committee, it was unable to be completed for today. It is anticipated that a response should be forthcoming within the next couple of weeks.

I realize that the standing order requires tabling of a report within a limited time, but rather than table a short or incomplete report, which would not have answered all the committee's concerns, the government chose to take extra time to do this. I regret this fact was not communicated to the House in advance to warn hon. members so that the hon. member for The Battlefords—Meadow Lake would not be in the position of asking for this today.

I assure the House that the government will proceed with the matter with dispatch. I hope I will be in a position to have the Minister of the Environment here shortly, within a few weeks, to table the government's response to this report.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I have just a short response. First, I thank the hon. member for his quick return with an answer to this very important question. I appreciate the time he has taken today to bring the government's response timetable to the attention of the House.

I wish to remind you, Mr. Speaker, that the previous Speaker's ruling on a matter like this did indicate that it was disheartening when a government missed a deadline.

• (1505)

The government committee that had studied this issue previously said: "If a document cannot be tabled within the prescribed time, the responsible minister should advise the House accordingly before the deadline. It is not acceptable that a deadline is ignored".

It should be very clear in the House that when the rules of the House are put in place to aid and assist members of Parliament in doing their jobs, the government has a responsibility to uphold those rules. I believe very strongly that something has to be said to the government and the minister responsible in this regard.

The deadline was missed. The government had an obligation to come to the House prior to the deadline being missed. It is unacceptable for them to have missed this deadline.

The Speaker: I think the point of order is well taken. I think the hon. parliamentary secretary has given a response and a commitment to the House that the information will be forthcoming within the next few weeks.

I concur that the rules of the House should be adhered to and it is regrettable when they are not. I hope the explanation that was given by the hon. parliamentary secretary to the member for The Battlefords—Meadow Lake at least in this particular case will satisfy him.

The House has heard the commitment taken by the parliamentary secretary. If that is acceptable to the House, I will not rule on the point of order because it seems to have been resolved at this point.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—CANADIAN AEROSPACE INDUSTRY

The House resumed consideration of the motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate having the opportunity to share time with my colleague, the member for Vaudreuil, on this Bloc Quebecois opposition day motion.

It is important to go over the words of this motion presented to the House by the Bloc. They are condemning the government for having dropped the Canadian content requirements in the contracts for the purchase of military equipment and refusing to set up a genuine program for the conversion of the military industry, thus endangering the Canadian aerospace industry located in Montreal.

It is important for all Canadians to know, specifically Canadians from Quebec, people from Quebec who still believe in Canada and even the separatists for that matter, that it was a Liberal government that basically set up the foundation of the aerospace industry in the province of Quebec.

We only have to go back to when the current Prime Minister was the minister of industry in 1977. As the Minister of Industry, Trade and Commerce, he was the one who bought the rights for the Canadair Challenger jet. That Canadair Challenger jet, which started out as an executive jet, as we all know today is probably one of the best commuter jets manufactured in the world. That industry is alive and well in the province of Quebec, which is part of the Bombardier Corporation.

We just need to go back to 1980–81, when the then Liberal government under the direction and leadership of Pierre Elliott Trudeau made a multi–billion dollar purchase of the F–18A fighter aircraft and 80 per cent of the offsets in that fighter aircraft were basically let out to the aerospace industry in Montreal.

• (1510)

The history of and the commitment of the Liberal government to the aerospace industry in the province of Quebec are well laid out. There is a great commitment and there is great history. For the Bloc Quebecois to suggest that we as a government are not committed to supporting this industry is simply incorrect.

In the motion the Bloc Quebecois is saying that the government dropped the Canadian content requirements. It is forgetting what happened when many members of the government were in opposition.

I would like to return to the free trade agreement. The leader of the Bloc Quebecois supported the free trade agreement. Many of us on this side of the House opposed the free trade agreement. One of the reasons we opposed the free trade agreement was chapter 14, which essentially gave people offshore unfettered access to and unlimited control over the Canadian industry. As part of that agreement we now are prohibited from dictating Canadian content.

We have to remind the members of the Bloc Quebecois that they cannot suck and blow at the same time. It is not possible. They cannot stand up in the House to support the free trade agreement, which essentially gives up our ability to dictate Canadian content, then come back three years later and condemn the government for having dropped the Canadian content requirements. That is the motion we have before us today.

The members of the Bloc Quebecois opposed the notion of having control over Canadian content three years ago and they are regretting it today. It was the Liberal Party that opposed the free trade agreement as it was negotiated by the previous government.

I have always believed the auto pact was an example of a negotiated trade agreement in which we could enshrine our interests and our ability to ensure Canadian content. That was a unique feature of the auto pact. However, we gave up the opportunity to negotiate a similar agreement for the aerospace industry.

It is very important for us to let Quebecers know the Liberal government is not opposed to the aerospace industry in Quebec being a vibrant and healthy sector. The Liberal government will not do anything to hurt the industry. If anything, we are going out of our way to help it.

The question that was brought up by some Bloc Quebecois members this morning is what is Quebec's fair share. The Canadian space station is based in the province of Quebec. That is one of the premier institutes of the industry. The commuter jet of Canadair is being manufactured in Quebec. The maintenance of the F–18A, our fighter aircraft, is being done in Quebec today. As a Toronto member, an Ontario member, I have absolutely no difficulty with that. It is a good move. By building a critical mass of expertise in the province of Quebec in the aerospace industry we create a capacity to bid on some available subcontracts, prime military contracts available throughout the world.

• (1515)

In other words, we obviously do not have the capacity to build total military aircraft or total products in an off the shelf sense. However, because of the component specialization that exists within the aerospace industry in the province of Quebec, we can bid on some component parts with any of the prime manufacturers not only in the United States but anywhere in the world.

It is very important to make sure our fellow Canadians realize this avenue of opportunity is available for people in the aerospace industry in the province of Quebec.

It is true that in the past we were much more aggressive in dictating Canadian content. However, because of the ability to make a quality product at a competitive price, there is probably a lot more opportunity in the aerospace industry in the province of Quebec than Bloc members are giving it credit for.

As part of the new defence industry conversion program we are trying to say to those people in the aerospace industry that although we no longer give direct grants we will make sure we give them marketing support. If they have a quality product in that sector at a competitive price—and we certainly have an advantage because of our Canadian dollar—then the secret would be centred in the whole area of marketing. We have to market the aerospace industry in the province of Quebec.

Rather than stand in the House today and cast doubt on the ability of the aerospace industry to compete, we should be boasting about the quality products made in the aerospace industry in the province of Quebec and figuring out ways of doing things together.

The Speaker: I regret to inform the member that his time has expired, but we have time for questions and comments if there are any.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, on this opposition day, the debate is on a subject chosen by the Bloc Quebecois, and I must say I have always had a special interest in national defence.

There are a number of reasons why that is so, the main one being that in my riding, we have an important entity that reports to the Department of National Defence and I am, of course, referring to the Bagotville Base.

The base is a major employer in the Saguenay—Lac–Saint–Jean area. Bagotville provides employment for more than 1,250 military personnel and 280 civilians.

• (1520)

That alone makes it a major economic asset to a region that, need I say it again, has the highest unemployment rate in Canada.

I am sure that the same could be said of other regions in Canada, since there are always substantial economic spinoffs for a region where a base is located. Many small industries are located around the base itself and have often developed expertise in the defence industry.

Cutting or downsizing at that level does not affect only National Defence as such, it also affects small businesses in the vicinity. There is cause for alarm when the federal government decides to close part or all of its military infrastructures, since residents then have to adjust their lives accordingly.

On February 22, 1994, the Minister of National Defence in this government sent me the following letter, and I will read two extracts: "I regret to announce that the project to develop an air to ground weapons range for CFB Bagotville in your riding has been cancelled".

The most important part of the letter is this: "Although we considered the importance of maintaining the balance of economic and regional benefits, the decisive factor in making these difficult decisions is as follows: they must be based on military and economic considerations".

The letter says: "National Defence will work closely with other departments and regional development agencies that will help communities plan for the future".

You may recall that subsequently, on July 10, 1995, the Minister of National Defence replied as follows: "There are plans to cut 305 military and 15 civilian positions in the 3rd Squadron at CFB Bagotville. However, this information is only an estimate and further changes may be made subsequently". That probably means additional cuts.

What surprises me is that following these cutbacks, the Department of National Defence says it will work in close co–operation with other government agencies to help these communities plan their future. Well, despite the cuts in my area, we have not seen and I have not sensed any willingness on the part of other departments to get involved to deal with certain situations. Certainly not. And of course a number of bills have been tabled in the House, starting with the bill to establish the Department of Human Resources Development, the department that is closing employment centres. Employment centres are being closed while the unemployment rate goes up.

We also have trouble retraining or providing new kinds of training for people who have been laid off, and I am talking about both the military and civilians.

• (1525)

We must face the federal government's new choices. I think that the government has forgotten that the economic development of many communities depends on defence. When the federal government decides to leave a region or change its equipment, it should act a little more responsibly.

In the area of defence, a so–called responsible government should focus on conversion. As my Bloc colleague said earlier, the aerospace industry is one of the areas best suited for conversion. Yet, it seems that this sector remains one of the most fragile in Canada, at a time when several other countries have opted for conversion.

The governments of all countries with significant aerospace industries actively support this sector. One only has to think of companies like General Dynamics in the U.S., which grew because it received defence contracts from the U.S. government. The governments of all these countries put in place major conversion programs.

We, in Quebec, have expertise allowing us to believe in this reality. We have engineering firms, architectural firms, trained technicians who are ready to face these new challenges. In most cases, the federal government's policy on projects requiring new infrastructures is to go ahead without calling for tenders.

I am going to tell you something. Last week, the commander of CFB Bagotville and I inaugurated a $2.8 million arena in my riding. When this project was on the table, architectural and engineering firms from outside Quebec were invited to prepare plans and specifications, when we, in the Saguenay—Lac–Saint–Jean region, have construction firms that can build massive dams like the James Bay project. Yet, they are incapable of building a small arena for some 200 to 300 people, an arena which has, of course, become very important for the military. It is very important.

The question is not whether or not to have an arena, but rather who will be the builders, architects and engineers involved. After running around here, there and everywhere in various departments, I managed to arrange that a firm from our area would at least be allowed to submit a bid. Finally. Many thanks to the government employee who told me: "All right, Mr. Fillion, CEGERGO will be invited to bid for building the arena".

It was not a matter of favouring this particular firm over another, but a matter of placing this firm on an equal footing, to at least give the chance to a firm that is paying taxes to Canada and employing hundreds of people to bid on an arena project.

• (1530)

The defence department, through its construction engineering branch or what not, said the firm would be allowed to bid because it had done some work in James Bay and built a 20–storey building in Montreal. I guess they felt it had some credibility, so they decided to accept it as a contender. Would you believe that the contract, a turnkey contract, was eventually awarded to this very firm, CEGERGO. Turnkey means that everything was run from the office, using expertise from my region.

By going to tender, we give our regions a chance to develop. In contracting however, it is important that everyone be given a chance to compete. I am sure that we end up saving money this way.

In the United States, between $4 billion and $6 billion is allocated to conversion assistance in the Clinton plan. Of course, their population is larger. In Europe also larger sums are invested in this area. When you make an effort to look around and see what is going on outside of Canada, you realize that, more and more, Canada's track record as far as its aerospace industry is concerned is not great.

In Canada, funding for programs designed to help the Canadian defence industry has been steadily cut year after year. We are told that a great deal of streamlining is happening in terms of cuts to defence spending, but at the same time people are left jobless. That is not important. It is not important that, at some point, communities find themselves in bad shape. However, they do not realize that, even though cuts are being made in the defence budget, as well as in other departments, Canadians have an increasingly heavier tax burden. Try to make some sense out of that.

In the late 1980s, the budget was somewhere around $300 million. This year, in 1995–96, it is only $102 million and it is constantly diminishing. The government does not care at all about those who relied on the defence industry. As you know, the aerospace industry plays a vital role in Quebec's economy. This is a reality we have repeatedly stressed in this House. That industry is important for many Quebecers, since the salaries paid in that sector are quite good.

In 1993, close to 20,000 Quebecers worked in the aerospace industry. Therefore, the federal government should increase its research assistance in that field. In addition to increasing the budgets allocated for research and development, Canada should change its defence procurement policy regarding goods and services as quickly as possible. This is all the more necessary, given that the new policy no longer includes Canadian content requirements, thereby jeopardizing the development, around each and every base, of companies which have developed such expertise.

• (1535)

Given the federal government's lack of action, these companies are forced to compete with foreign businesses, most of which are heavily subsidized by their respective governments. This creates a double standard. It is very difficult to be competitive when the federal government reduces its subsidies. We are competitive in terms of design and work, but we cannot compete at an economic level since these foreign companies are subsidized by their governments. Yet, we have the expertise. We provide quality products and services.

How, then, can these businesses be competitive when the same types of businesses elsewhere are heavily subsidized?

I can understand the concerns of the people who have built up these businesses with their time and money and the sweat of their brows. We need not be surprised if they also have to relocate outside Canada in order to survive. There is no doubt whatsoever that if Ottawa pulls out of funding research and development, a lot of people are going to be worried.

The Government of Quebec will be worried as well. The Quebec minister of industry is committed to looking at ways his government might offset the federal withdrawal. The federal government, via the Department of National Defence, creates a need and then when it finds itself no longer able to foot the bill decides: "Let us shift everything. The provincial government will have to find some solutions".

This is just another way of dumping responsibilities one has assumed off onto the provincial government, withdrawing gradually and leaving them to take up the slack.

In my opinion, this is not a responsible way for the federal government to act. It must change its procurement policy in order to foster the development of leading edge industries. We must take a page from the book of other countries which encourage industrial development.

I trust that this government will, in future, require a minimum of Canadian content when purchasing equipment.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I want to respond by making a comment on the hon. member's presentation.

I congratulate him on coming from a great part of Canada, the Chicoutimi area. I know the area quite well. I used to spend parts of the summer there with my family staying at the Club de chasse in Tadoussac. I fished on Lake Tadoussac at the mouth of the Saguenay. It is a very beautiful part of the world.

• (1540)

With respect to the tenor of his comments, some of the things the member said may sound sensible and logical. Perhaps in different times we nurtured the idea of Canadian content when we could afford it. It was a luxury. I point to the St. Laurent class destroyer, to the DDH280 and to other acquisitions that had total Canadian content, with some exceptions of boiler equipment and other auxiliary machinery.

All countries are cutting back. In the course of my duties as parliamentary secretary over the last two years I have had the occasion to meet with the secretary of defense if the United States, the minister of defence of the Federal Republic of Germany, the minister of defence of Holland and other defence ministers. If there is one thing we have in common it is that we are cutting back. There is a peace dividend. The cold war is over. While we are peacekeeping and fighting brush fires which are real wars in that sense, the scale is different.

In the last decade the Department of National Defence has given up $21 billion and 21,000 men and women in uniform, 45 per cent of its civilian workforce. It has reduced the reserves from 29,000 to 23,000 in two years. We can no longer do what we used to do and I did not find that factored into the equation presented by the hon. member.

I know he did not intend to mislead. To talk about principles, theories and things that would be nice if there were no limitation on funding is one thing. However, if he would look at the reality of the situation, at the issues that dictate procurement policy in national defence, he might come up with a slightly different approach. I want to ensure the hon. member has factored that into his equation.

It is the same with conversion. The answer to conversion is not a massive infusion of money. Canada cannot afford that. Let us try to do as other countries have done with initiatives and other ways of doing it, as I suggested earlier, were presented by the Minister of Industry and the minister of public works.

[*Translation*]

Mr. Fillion: Mr. Speaker, first I think the hon. member should come and visit the region before it closes down. As I said earlier, we have a very high unemployment rate, and when you add all the people who are on welfare, I think the government should go down there and reassure these people. I would appreciate it if he came down for a visit. I would be delighted to have him as a guest.

As for his comments, I must say that, when they talk about Canadian content and they tell us that when we had a lot of money, we could afford Canadian content, we could give the people in our regions something to hope for and tell them: "Get into those fields, start factories and small businesses and adapt to what is out there". Today, now there is nothing left, the government has dropped the whole thing and we let others do the job.

If you consider all the government programs we have in this country, I am sure we would be able to find the money to fund defence conversion. There are so many programs.

In fact, the auditor general himself said today in one of his reports that the Federal Office of Regional Development for Quebec had spent $4.5 billion without knowing where it all went and what it accomplished. In fact, this kind of money could be used for programs to help develop this defence industry.

My point is, we should look at the various programs that exist today, that are poorly managed and that cost us an awful lot in terms of time, money, energy and interest, especially, and accomplish absolutely nothing. We could give these industries a special boost.

• (1545)

In any case, if these industries are not given financial support, they still remain competitive in terms of the products they manufacture or the services they offer. And that is where the answer lies. Because these businesses are competitive, we can develop expertise, using programs that today are not accomplishing a thing but could be reviewed and redirected to National Defence.

[*English*]

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, it is my pleasure to join in the debate on the Department of National Defence and the Canadian industrial base as proposed by the official opposition.

[*Translation*]

This is the age of information, the age of rapid change. We are not just talking about technological change, which most of us have managed to keep up with over the course of the past ten years, but about change in the very nature of the way people relate to each other and the way things are done. With the fall of the Berlin wall, we began a period of change more radical and intense than anything we have known since the invention of the cold war.

[*English*]

I am here today to speak about those changes which affect the relationship between DND and the defence industry and suggest a view of what that new relationship may look like.

Actions in the world have caused a reaction in DND. Let me trace the main actions and then the DND reaction. The first action was the fall of the Berlin wall, which led to a reassessment of Canadian defence concerns.

The second action is the fiscal situation in the country. We have a deficit and a significant debt. The negative effects of the situation have been made clear to all of us over the past year. There is now widespread agreement that this situation must be revised through budget cuts.

The third action results from the need to reduce the number of employees in the federal public service, including DND. This results in a significant reduction in the workforce. All of these actions affect DND, resulting in changed roles, reduced budgets and reduced personnel.

[*Translation*]

Now let us have a look at the industry side. We can see that these same events—the fall of the Berlin Wall, the reduction in military personnel and budget cuts—have put considerable pressure on Canadian industry and their export markets. This is the case, specifically, for many of the companies involved in Canada's defence industrial base, which we want to be able to count on in the event of an emergency.

As for DND's reaction, it does not require a whole lot of intelligence to realize that the department is no longer merely a spectator in this age of change. It is a participant and must make its own changes. DND must look after its affairs differently and change its structure if it is to succeed in this new context.

• (1550)

[*English*]

This need for change led to the defence white paper of December 1994. In general this document reconfirmed the need for multi–purpose, combat capable sea, air and land forces to perform a wide variety of tasks at home and abroad: the protection of sovereignty and security; co–operation with the United States in the defence of North America and contributions to peace and security abroad.

In addition, the white paper indicated that to accomplish these ends, DND would have to operate more efficiently and make optimum use of equipment, infrastructure and human resources specifically to focus on maintaining core capabilities, reduce and refocus regular and reserve forces and the civilian workforce, reorganize the command and control systems and purchase affordable equipment.

The white paper also recognized the need for the department to exchange or enhance its partnership with the private sector, work toward harmonizing industrial and defence policies to maintain essential industrial capabilities, transfer activities currently conducted in–house to Canadian industry or to share them with industry under various partnerships arrangements when a business case of the same could be made, modernize and streamline procurement process and in general to seek innovative ways to support operational forces.

It must not only be said of the Canadian defence industrial base that DND must adapt to the new circumstances but that our industries must also do things in a different way with a different structure if they hope to fulfil their corporate visions in the new age.

It would be worthwhile to provide an overall context for the Canadian defence industry through some relevant defence statistics. Canadian defence spending is quite small compared with that of other western nations. It is about 1.5 per cent of GDP. Canadian defence and defence related industry accounts for little more than 1 per cent of the gross domestic product and somewhat less than 1 per cent of the Canadian labour force which equates to between approximately 60,000 and 80,000 direct and indirect jobs.

With few exceptions like Bell Helicopter, CAE, the diesel division of General Motors, Diemaco and Saint John Shipyard Ltd., our industry produces subsystems, components for niche markets rather than complete systems. A Canadian defence industry is highly specialized with particular strength in the areas of aerospace, electronics and communications. This enables our industries to be well positioned in the competitive process.

[*Translation*]

Canada's defence industry has the ability to diversify its activities and to come to terms with niche markets, which augers well for its future. As you can readily understand, Canada's defence expenditures alone will not support Canada's current defence industrial base. Our defence industry's survival and prosperity depends on its selling or exporting dual purpose commercial products.

I would now like to talk about the factors and new realities governing relations between DND and the defence industry in Canada. It is clear, on the one hand, that our present budget precludes our supporting an industry base of the size we might have had a few years ago. Funding additional resources is totally beyond our present means.

• (1555)

[*English*]

Our desire today is for a sound Canadian defence industrial base which optimizes the number of national sources of goods and services available to support the Canadian forces during operations.

In addition, the scenario for operations today for us and our major allies is pretty much accepted to be "come as you are". Under these conditions, our interests are best served by supporting the overall health of a Canadian industrial base which includes a broad range of technologies and support capabilities that we need.

From another aspect, DND has the responsibility to recognize the considerable impact which expenditures from the defence budget have on the Canadian economy and the Canadian industrial base.

DND must smoothly integrate other factors and government program initiatives such as the development of dual use technologies, demonstration of a peace dividend, defence industry conversion, development of export markets and the like into its procurement process.

Let me give some specific examples of our changing relations with industry. Although DND's budget has been reduced, the department remains committed to the goal of devoting a greater share of defence expenditures to capital acquisition.

To maximize the return from these expenditures, the department will be approaching its future capital procurement based on principles such as the following. First, it will accelerate the shift to off the shelf technology and commercial specs and standards. Second, it will augment our reliance on the private sector in the day to day support of commercial items. Third, it will seek to avoid unique Canadian solutions that require expensive and risky research development or modifications. Fourth, whenever possible it will purchase equipment with performance which has been demonstrated in the field.

As a result of the budget cuts and changes in thinking mentioned earlier, it is only logical that the department will have to rely to a much greater extent on the private sector to meet equipment support needs of the Canadian forces in the future.

The trend will be government partnering with industry, that is government seeking solutions from industry rather than dictating solutions to industry. In addition, in order to allow Canadian firms to increase their productivity and competitiveness, DND is looking at how it can make doing business with government easier.

[*Translation*]

While both DND and the industry try to maintain a sufficient industrial base, they are under considerable pressure and must adapt to a completely different defence framework in industrial terms. Exporting, which in the past was a way to compensate for a low demand from Canadian forces, has become a double–edged sword.

World over–supply and competition from the former eastern block and Asian countries will create an increasingly competitive market.

[*English*]

As defence budgets around the world began to shrink significantly there was much talk about the need to convert military production to civilian or commercial production. However, defence firms used to selling to one customer, the government, find themselves ill–equipped for the commercial market where tastes change rapidly.

The same problem of the conversion to the private sector market was faced in the United States. The problem in defence downsizing and conversion for the Canadian industry is much less significant than that in other western industrialized nations.

As I stated previously, the Canadian defence industrial base is a highly diversified one. In fact, only a handful of companies make complete defence systems such as Oerlikon Aerospace and Diemaco.

• (1600)

Also included in Canada's defence industry are several companies that make complete dual use or commercial systems for the global market, such as Canadair, CAE Electronics and Bell Helicopter; manufacturers that are primarily oriented toward niche marketing and the exports of parts components and sub–components, such as Pratt & Whitney Canada, Canadian Marconi and Allied Signal, and several repair and overhaul contractors, such as IMP and CAE Aviation. As such, the Canadian industry is well placed to respond to and weather the challenges posed by defence downsizing.

Spar Aerospace, for example, has reduced its defence operation and has increased its market diversity. At the same time it has vertically and horizontally integrated its operations by acquiring an interest in Telesat Canada. Furthermore, it has acquired Comstream and prior data giving an additional technology in the area of satellite broadcasting and data compression as well as access to additional markets.

Other companies, such as Computing Devices of Canada, have chosen to remain in the defence market realizing that there are still many opportunities in the global defence market for competitive high tech companies.

At this juncture I think it would be valuable to give an insight into our assessment of what the major features of the defence environment are likely to be. Broadly speaking, the following characteristics will likely dominate. First, domestic procurement expenditure by the Department of National Defence will not see any appreciable increase and will decline across the board. Second, the nature of what is bought and the size of the buys may change. This could mean a move toward non–leading edge technology in weapon systems and an increase in demand for repair and overhaul items, thereby placing greater emphasis on services. Third, there will be an excess capacity in the worldwide defence sector. Finally, competition will grow and worldwide protectionist tendencies will be more difficult to maintain under the world trade agreement.

The preceding features will affect government and industry equally. However, the appropriate response to the new defence environment will need to take into account the complementary but unique role each plays.

Let me deal with industry first. The rationalization of a North American defence industrial base will likely conform to the following scenario.

First, there will be a gradual movement out of the defence sector, particularly on part of those marginal firms that only entered the defence business to take advantage of the increased DND procurement activity and for which defence sales have always been a marginal aspect of their sales. The pressure to exit may be offset to some extent by the growth in the use of dual–use technologies, giving rise to new marketing opportunities for the businesses.

Second, while still searching out export markets firms that remain in defence sales will probably reduce still further the portion of their business activity devoted to defence.

Third, there will be an increase in strategic downsizing, merger and joint venture activities. We must try to reduce risks and offset unit cost increases. We have seen a great deal of evidence of this with major U.S. contractors already. Firms are selling off unprofitable divisions to concentrate on core expertise in particular systems or acquiring competitors' divisions to remove former competitors and emerge as centres of expertise.

Fourth, product lines will be re–evaluated in terms of the civilian and military mix. Extra efforts will be made to respond where possible to the new demands for innovative products.

Finally, there will be a renewed emphasis on technology based R and D.

In spite of the difficult international environment that lies in wait, the bottom line is that the Canadian defence industry has been successful to a significant degree because of its outward business approach.

On the government reactions, the Canadian defence industrial base plays an important role in meeting the peacetime and wartime requirements of the Canadian forces. As such, we ignore the health of Canadian industry at our peril. The role of the government in management of change in the industrial base falls into three categories. First is the maintenance of a suitable trade environment for Canadian industry. Second is to select support through established programs or specialized assistance where warranted for critical operational requirements. Third is enhancing the Canada–U.S. material co–operation.

• (1605)

In giving the House a brief overview of how the department is responding to current challenges I need to stress two factors. First, DND's resources are finite. It cannot simply throw money at the problems faced by industry, as the essence of its corporate problem is a significantly reduced fiscal framework in which to operate. Second, the fact that much of Canadian industry is focused on sales abroad, to the U.S. in particular, presents DND and the government with a unique policy challenge. A substantial degree of vitality of Canadian industry and its ability to support our operational needs is strongly influenced by developments in the U.S. Our industrial base planning must take this unusual situation into account.

DND must smoothly integrate factors and government program initiatives such as development of dual–use technologies and demonstration of a peace dividend, defence industry conversion and development of export markets and the like into its procurement processes.

[*Translation*]

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, I would like to let you know that I will share my time with my colleague from Terrebonne, who will join the debate in a moment. I understand that I will have ten minutes to make my point.

To start with, I will say that this morning, when I came back from Montreal, I turned on the parliamentary channel and watched the debate on the motion before us now. I was surprised to see that my Reform and Liberal friends were questioning the legitimacy of the motion we moved in this House today.

Some were claiming that the leader of the Bloc Quebecois was going to be the premier of Quebec, others, that my colleague from Charlesbourg was basically guilty of insurgency. I could not help but remember why I was elected to Ottawa. It should not be forgotten that Quebecers pay $29 billion a year to Ottawa, and that in return they are entitled to services at an equivalent level.

With regard to today's debate, which in a sense is the history of the Canadian content requirement in defence spending, it should be noted that for decades Quebec has not been given its fair share by the defence department. For the past ten years, the shortfall has been $600 million a year.

I believe that as elected members from Quebec we have every right to move such a motion, which is perfectly legitimate, to boot. I had a look at statistics. We know that for a long time now the Saint–Jean area—and the Montreal area for that matter since Saint–Jean is part of the Montreal region—has been the victim of this kind of shortfall, which translates in terms of job loss.

I have the statistics right here. From 1990 to 1994, we lost 7,800 jobs out of a total of 13,900. I believe that in the current difficult context, these jobs would be very valuable.

In my own riding, we too are victims. I do not wish to belabour the point, but I will remind the Liberal Party of the terrible blow it dealt Saint–Jean when it closed the royal military college. This represents a $32 million loss for our economy every year. Believe it or not, this college was the most efficient, which means that it was less expensive to train officer cadets in Saint–Jean than in Kingston or Royal Roads.

In spite of that, the Liberal government decided to close the Collège militaire royal de Saint–Jean. Thirty–two million dollars; it was the most efficient and the most bilingual military college.

We all know that the Canadian Parliament often boasts of its ideology and its policy on bilingualism. Pierre Elliott Trudeau himself, not the greatest advocate of Quebec I must admit, came in person to Saint–Jean and said that the college was the greatest proof that bilingualism could succeed. Nonetheless, in its last budget, the liberal party closed the Collège militaire royal de Saint–Jean.

Another inequity I would like to point out today is directly related to the debate and the issue at hand; I am talking about Oerlikon.

• (1610)

The Oerlikon case is another example of inequity towards Quebec and Saint–Jean. We all remember that the minister announced, August 16, that he was planning to award a two billion dollar contract to General Motors for the manufacture of armoured personnel carriers. At the time—I remember it well—the minister explained that the situation in London, Ontario was urgent. He said that they were almost out of contracts in London and that, since it was the centre of expertise for armoured vehicles, he had to award the contract to GM without any call for tenders. Why did the minister say that? Because it was also a centre of expertise. He said that no other plant in Canada could build better armoured vehicles than GM in Ontario.

Once again, the minister and the Liberal Party were forgetting Quebec.

The hon. member just mentioned the case of Oerlikon, and I hope he is listening to me in the lobby. The Oerlikon situation is clearly unfair in this regard, since out of the $2 billion contract for armoured personnel carriers about $500 to $600 million will be used for the gun turret. It happens that Oerlikon Canada is the centre of expertise for turrets in Canada.

Of course, General Motors said: "Listen, you are giving us a whole contract and you must understand that we have affiliates". Among others, there is one in Santa Barbara, called Delco, which is specialized in gun turrets. Therefore, GM seems to be saying: "You give us the $2 billion contract and we will subcontract to whoever we want". And as good capitalists and good business people, they give the subcontract to Delco of Santa Barbara, California. So you can see the impact of the department's decision on the Canadian content and on Quebec which, once again, is being excluded.

Canadian taxpayers are going to pay a $2 billion bill and almost half the money will be used to create jobs in the U.S., in Santa Barbara, California. I think this goes against the Liberal program, which we all read so carefully during the election campaign and which said in English: "Jobs, jobs, jobs" and in French: "Emplois, emplois, emplois".

At the first opportunity it had, the government cut the jobs and sent them to California, saying to Canadian workers: "You pay your taxes to Ottawa and as for you, Quebecers, send $29 billion to Ottawa and you will get $600 million less".

We have here an opportunity to compensate for this shortfall for one year, since the contract is worth some $500 million to $600 million, but the Liberal Party is missing this opportunity. I find this totally deplorable because it shows a double standard.

If we recognize GM in London, Ontario, as a centre of expertise for armoured vehicles, why do we not also recognize Oerlikon as the Canadian centre of expertise on turrets? We find this hard to explain. As a buyer, the government should use all the means at its disposal and ask General Motors in Ontario to have the turrets made by Oerlikon in Saint–Jean, the Canadian centre of expertise on turrets.

Lobby groups are at work. A number of people are trying to convince the federal government that my arguments are valid, but the government is not budging. Even the Bloc Quebecois has raised several questions on this issue, but all the minister can say is, "Submit your bids to GM and I might be able to talk to them, perhaps we will see if your bid is the best".

The federal government could even use this as an excuse to back out, because Oerlikon executives claim that they have sufficient expertise to carry out the contract for less than Delco in Santa Barbara. Although this would save Canadian taxpayers money, the minister continues to turn a deaf ear. I find this totally unacceptable.

If at least the minister said, "Look, Canadian content requirements have been reduced; they are no longer mandatory. So let us award the armoured personnel carrier contract to General Motors in London and call for bids on the turret contract in a way that is open and fair to everyone".

• (1615)

Even then, Oerlikon claims that it could do better than Delco any day. I visited the plant, and it is true that asking them to make turrets for armoured vehicles is like asking a Ferrari plant to build Volkswagens. They are perfectly capable of performing the task. They are already producing Ferraris. The Ferrari of turrets is produced in Saint–Jean.

Now they want the Volkswagen turret to equip the new armoured vehicles to be sent elsewhere claiming that General Motors was awarded the whole contract and that nothing more can be done because they do not want to interfere too much. They say: "Delco also makes them. Why meddle in this business. We just want to give the contract to GM and have nothing else to do with it". It think that this is utterly unfair to the Saint–Jean area and for Quebec as a whole.

Oerlikon has been lobbying extensively in the past little while. In fact, I think that the company's president is here, in Ottawa, today in a further attempt to make the government see reason. I also think that those involved were quite forceful, because perseverance has not got us anywhere so far. There are people who try, day in and day out, to get across to the department that the arguments I just mentioned are valid. Unfortunately, the federal government is apparently doomed because, any time it contemplates giving something to Quebec, it takes longer to make a decision than it normally does for any other part of Canada.

It certainly did not take the minister very long to decide to award the contract to GM. In no time flat, he decided: "I must help GM. It is a centre of excellence and short of contracts." As far as Saint–Jean and Quebec are concerned, that is another story.

That is why I take this opportunity today to try to show, once again, that this is unfair and that it is not too late to make it right. I ask the Liberal government and all my government colleagues to impress on the minister responsible that Canadian taxpayers, and indirectly, Quebec taxpayers, stand to save money. The minister should take his responsibilities and give Oerlikon the same consideration he gave GM when awarding GM the contract. We are dealing with two centres of expertise and potential savings to the taxpayers.

[*English*]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I congratulate my colleague on his remarks which I listened to with great interest.

I want him to know I have quite a bit of sympathy for his comments on the closing of Collège Saint–Jean. It is indeed a beautiful military college with a great history and tradition. I want to remind him that the government in closing Saint–Jean also closed Royal Roads in British Columbia. A lot of my family live in Victoria and I know Royal Roads very well. It was a very fine military college with a great tradition.

All Canadians feel pain when cost cutting affects jobs and the people of our regions. I sympathize with the Bloc member and all Bloc members when they bring that kind of position forward in the House. However I would submit to my hon. colleague that the government did approach this matter, certainly in the closing of the colleges over which it did have control, with great equality of spirit.

Is the hon. member familiar with Royal Roads? Can he speak with the same passion about this college near Victoria as he does with Collège Saint–Jean? Does he not agree that however unfortunate it was to close Collège Saint–Jean and Royal Roads given that we had more college space than we needed in these cost cutting times, the government really acted very responsibly and with a sense of fairness?

[*Translation*]

Mr. Bachand: Mr. Speaker, I thank the hon. member for giving me an opportunity to elaborate, particularly on the issue of unfairness. There is unfairness at two levels. The first level is rather ideological in nature and has to do with culture and language. Saint–Jean was the main route for young francophones interested in becoming officers in the Canadian forces.

• (1620)

Closing the military college in Saint–Jean—and we have news from Kingston today—will have an impact on the number of young francophones in the Canadian forces. If I had more time, I would give you figures which show that, already, this decision has had such an impact.

But I want to go back to the financial issue raised by the hon. member. It is true that Royal Roads was also closed. But, again, there is an injustice related to the compensation given to the two military colleges. Saint–Jean, which had an annual budget of $39 million, was given $5 million for each of the next five years. Royal Roads, which had an annual budget of $19 million, was given the same compensation.

So, Royal Roads, a college half the size, with half the budget and half the number of officer cadets, gets the same compensation as Saint–Jean. Not only is it unfair to close the military college in Saint–Jean because it is the main route for francophones interested in becoming officers in the Canadian forces, but there is also an economic injustice in that the compensation of $5 million per year given by the federal government is the same for both institutions, even though one had an operating budget twice the size of the other. Saint–Jean should have received $10 million per year, considering the size of the two institutions.

The Acting Speaker (Mr. Kilger): Resuming debate, with the second half of the twenty minutes allocated now being shared with the hon. member for Terrebonne.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I wish to make the House aware of the importance the Bloc Quebecois attaches to defence conversion. This is the main reason why we selected it for our opposition day. It is important in Quebec and it is important in my region. I should point out that I have SNC Technologies in my riding, a munitions plant,

and its employees are extremely worried about federal government inaction on defence conversion.

Before addressing the matter we are looking at today directly, I would like to take this opportunity to denounce the Canadian Armed Forces' lack of respect for francophones in its ranks. Last February 22, the Office of the Commissioner for Official Languages followed up on numerous complaints about the lack of compliance with the Official Languages Act in the Canadian Armed Forces. Its letter stated that there would be an investigation to compare the situation of francophones in Moose Jaw and that of anglophones at Bagotville. The report was to be submitted within a few weeks of the February letter. Nearly a year later, the report is still secret, despite the Access to Information Act, probably because the conclusions do not put the government in a very good light.

All we are asking is for the investigation to be made public, first of all, and then for them to comply with their own legislation. Now, back to the key point of this debate, defence conversion; this must be looked at on a world scale, but also in terms of Quebec, primarily the Montreal area, and Canada. The situation is not a very comfortable one. With the end of the cold war, defence industries everywhere in the world are in a crisis situation. The market, estimated to be in excess of $450 billion, dropped 10 per cent between 1987 and 1994. This slump is far from over; according to international experts, there might be another drop of some 25 per cent within the next few years, which is why it is important to have an eye to the future in this sector.

The result of this crisis in the industry has been major job losses world wide. For example, 700,000 jobs have been lost in the USA, and 600,000 in Europe. In Quebec and in Canada we are far from being protected from the inroads being made upon the defence industry world wide. In Quebec alone, sales figures in the defence sector dropped 48 per cent between 1987 and 1992. During that same period, lower defence sales resulted in the disappearance of 11,000 of the 57,000 jobs directly linked to defence.

As I have already stated, there is a company close to my riding whose 500 employees are worried at the lack of action. Considering the situation in the defence industry, there are two other points that must be taken into consideration.

• (1625)

First, we must remember that jobs lost in the defence industry are jobs in a sector with a very high concentration of advanced technology. The jobs that disappear are high calibre, lucrative positions. In fact, salaries paid in the aerospace industry, which plays a major role in the defence industry, are on average 24 per cent higher than the average salary in Canadian industry. Twenty–four per cent is a lot.

Second, we must consider the fact that these changes in the defence sector are particularly hard on Quebec, where a major part of Canada's defence industry is located. This is not partisan politics. This is the truth. Because of the way the industry is distributed within the province, these changes come down hard on the Montreal region which is the driving force of Quebec's economy.

In other words, a lack of federal programs to help the defence industry weather this crisis will be particularly damaging for Quebec and weaken the ability of Quebecers to make advanced technology one of the strengths of their economy.

I am referring here to sectors like telecommunications and the aerospace industry, where we have to do everything we can to promote development and provide a solid basis for competitive growth in the long term. If we want to build this solid basis for the future, it is important to help the defence industry negotiate the rough spots it is experiencing today. This can be done partly by helping the industry adjust to changing conditions, something the government has failed to do.

For instance, we could provide incentives for defence producers to develop non military applications of their products.

Since the defence industry uses advanced technology, which benefits the economy as a whole, it would make sense for the government to have programs that provide incentives for defence conversion, which is already the case in other countries.

In the United States, the Clinton plan provides between 4 and 6 billion dollars worth of funding for defence conversion. In Europe, largely thanks to the KONVER program, hundreds of millions of dollars are invested for this purpose.

And then there is Canada. Does this country have a program similar to the European and American programs that focus on defence conversion? Unfortunately, it does not.

The only program that comes close is DIPP, which has been around for several years, and it certainly does not focus exclusively on defence conversion.

Its purpose is also to support companies that work in the defence industry, especially in aerospace and avionics, and to facilitate and consolidate R&D activities in these companies. It also focuses on setting up networks of suppliers of derivatives and components for these sectors and promoting investment and exports in manufacturing sectors with a high added value.

The purpose of the program is to help defence industries remain competitive on world and Canadian markets. It provides companies in the defence sector with incentives to continue their activities. It is only in recent years that part—and it must be remembered that it is only a small part—of the budget for this program has been allocated to promoting defence conversion.

Here, we could perhaps point out that expenditures under the DIPP program have a major economic impact. Every dollar spent under the program is estimated to produce more than $40 worth of economic benefits. We must not forget that, through its strong participation and dynamic role in the defence industry, Quebec enjoys a significant amount of these benefits.

This, therefore, is the only federal program with a goal of defence conversion, even though it may be both limited and inadequate. While the program does not entirely serve the needs of conversion, it could at least serve as a basis for the work needed in this area. It is simply a basis requiring constant work, but at least it is something. Even the Liberals promised to face the challenge of defence conversion in their famous red book. They have forgotten in the meantime, as everyone will agree.

They acknowledged, and I quote: "Defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high–tech jobs". They promised in the red book, and I quote once again: "A Liberal government will introduce a defence conversion program to help industries in transition from high–tech military production to high–tech civilian production".

• (1630)

This then was a promise to build on the existing program to help the sector through its difficult times. Where is it at today? Forgotten, gone, like most of the other promises the other party made.

Looking at the record to date, we see that the benefits derived from the defence industry are substantial for Quebecers and Canadians, but that the industry is facing a serious crisis. Some adjustments must be made. Conversion of a significant portion of the defence industry to civilian production would help us keep and develop high calibre jobs. Other countries have taken on this challenge, as I mentioned earlier.

In Canada however the federal government has not, truth be known, managed to respond coherently to the problem, despite empty promises—something that does not surprise us. The only reaction to the crisis in the defence industry up to now has been a few adjustments to an existing program and cuts to it, on top of everything else. And yet, the Liberals had promised much more to help the industry survive this crisis.

Despite the logic of providing more active support for defence conversion, the Liberal government has not kept its promises. The DIPP budget is in free fall. It reached its peak in 1989–90 at over $300 million. In 1994–95, the figure was less than $144 million. New cuts are expected for 1995–96. The DIPP will then amount to only $102 million, a 66 per cent reduction over six years, at a time when business is facing a serious crisis.

These cuts will only continue, and the 1997–98 budget should drop to only $24 million. In fact, the program no longer accepts any new projects, and the government is honouring only the commitments it has already undertaken. This is a funny way for the government to keep its promise to facilitate defence conversion, do you not agree?

At a time when the industry needs it more than ever, the government is drastically reducing its participation. Its budget cuts are placing an enormous burden on Quebec. While Quebec businesses received $168 million in 1989–90, this amount dropped to $80 million in 1992–93. This is quite disturbing for the people who work in this sector in Quebec and in the Montreal region.

In conclusion, I think that so far the federal Liberal government has behaved inappropriately and irresponsibly by promising assistance while at the same time cutting back on the defence conversion program. This is a Machiavellian way of looking at things and avoiding the problems by shoving them aside to make them disappear. The time has come to initiate an honest program to face the real, global crisis everyone recognizes. The government must act now.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have a question for the hon. member who just spoke. He talked about the cold war and the many jobs available during the cold war. He seemed saddened by the fact that those jobs have disappeared now that the cold war has come to an end. I would like to ask him if the economic solution, according to the Bloc, is to go on with cold, hot and lukewarm wars and to have jobs that support wars and conflicts around the world.

Does he really believe that the key to a prosperous economy is to perpetuate conflicts throughout the world and base our economic future on arms sales?

Mr. Sauvageau: Mr. Speaker, I feel like laughing. Where I come from, we say of a nice action or activity that it is a good show. I would say to the hon. member across the way that she is missing a good show. She has missed good, coherent speeches.

• (1635)

Most of all, I would like to remind her of her party's promises. You said, my dear colleague, "The defence industries today employ directly and indirectly over 100,000 Canadians". You wrote, "The end of the Cold War—

The Acting Speaker (Mr. Kilger): Order. I simply wish to remind members that they should address their comments to the Chair.

Mr. Sauvageau: I apologize, Mr. Speaker.

The Liberal Party wrote, "The end of the Cold War puts at risk tens of thousands of high–tech jobs". This does not come from us but from the red book. I say through you that I hope the hon. member agrees. The Liberal Party also wrote that it would "introduce a defence conversion program to help industries in

transition from high-tech military production to high-tech civilian production".

The purpose of the Bloc Quebecois' opposition motion is simply to remind the Liberal Party of its red book promises. We have never, ever said that we wanted other conflicts. This is totally unrealistic and does not make any sense.

Mr. Bernier (Mégantic—Compton—Stanstead): Ridiculous.

Mr. Sauvageau: We heard the word "ridiculous".

But it is important to recognize that other countries are putting in place defence conversion policies while Canada is cutting conversion budgets.

I think this is a serious problem. We must stop treating this matter lightly and start asking serious questions.

[*English*]

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, it is with great pleasure that I enlighten the colleague who has just spoken on this issue to what has been occurring in the industry of which the motion speaks. He and his colleagues certainly seem not to be as familiar with the industry as I would have expected them to be.

It is somewhat suitable that we are having this debate the day after Canadian astronaut Chris Hadfield returned from a very successful aerospace mission. It is also interesting to note that RADARSAT was launched very recently. I seem to recall that the city of Montreal was somehow involved in the launching of RADARSAT into space. One of the things members opposite might do is to watch events in Montreal and to be a little more familiar with the ways in which Montreal companies and other companies in Quebec are participating in this very prosperous industry.

Quite simply, the Bloc Quebecois has it wrong. The hon. member for Charlesbourg who proposed this motion would have this House believe there is no conversion of the military industry to civilian production and that the Montreal companies in the aerospace industry are facing hard times as a result. Perhaps he and his colleagues were not listening when this House debated defence conversion on May 5, 1994. Perhaps they did not participate in the debate or perhaps the Bloc Quebecois simply wants to stir up the pot, any pot. Let me give the member some of the facts.

First, the Canadian aerospace industry is already well on the road to converting from military to civilian applications.

[*Translation*]

Montreal companies have been in the forefront of this trend and provide excellent examples of firms that have managed to win a niche in the international aerospace industry while at the same time remaining competitive.

Here are statistics that are well known in the Montreal aerospace sector.

In the 1980s, 70 per cent of the sales of the aerospace and defence industry were for military use, and 30 per cent for commercial use.

• (1640)

Today, the mix is reversed, with sales of military equipment down to 30 per cent while sales of commercial products have gone up to 70 per cent. And the commercial component keeps growing. Soon the civilian, commercial component will account for 80 per cent of Canada's defence and aerospace sales.

If the hon. member took a closer look at the Montreal industry, he would realize that these statistics reflect the reality and see how Montreal aerospace firms run the entire range of commercial aerospace design and manufacture.

Is the hon. member interested in final assembly of aircraft? He should look at Bombardier and Canadair. They specialize in commuter aircraft. Perhaps the hon. members across the way should think about that before they raise the issue of defence industry orientation.

Does the hon. member want examples of Montreal firms that design and manufacture helicopters? There is Bell Helicopter Textron.

Landing gears? Héroux Inc. Does he want to know more about world class aircraft engine designers and manufacturers? He need only remember that Canada is a world leader in the manufacturing of small commercial turbo fan engines. One of the leading manufacturers is, of course, Pratt and Whitney. Most of the company's R&D is on advanced materials, which can be used for any number of commercial purposes.

For avionics systems, the hon. member need only think of Canadian Marconi.

Finally, if the hon. member for Charlesbourg and the other hon. members who have taken part in the debate today want information about flight simulators, they should talk to CAE Electronics Ltd. They will learn that not only are this company's simulators used for commercial as well as military aviation, but CAE has begun drawing on its flight simulator technology to enter into the health field.

These Montreal-area companies are world renowned for the quality of their design. They have built a solid reputation in serving particular niches in commercial aerospace.

[*English*]

I certainly hope members opposite are listening. The Montreal industry has prospered because it is part of a broader Canadian aerospace sector.

Once again, let the hon. member look at the facts about the aerospace industry in Canada. We have the sixth largest aerospace industry in the world. In 1994 aerospace sales were $9.6 billion and the industry employed 53,000 people. The Aerospace Industry Association of Canada estimates that the sector will add more than $8 billion to Canada's GDP from exports in the coming year. The aerospace sector continues to be the one high tech industry where Canada maintains a consistent trade surplus, which was $2.5 billion last year. Let us go back one more year where more detailed statistics are available.

• (1645)

In 1993 total Canadian sales of aircraft components and related products and services were $7 billion, of which almost $5 billion were exports. Quebec firms accounted for over $4 billion of the $7 billion worth of sales, representing 60 per cent of the total sales of the Canadian aerospace industry.

Almost 200 aeronautics firms with approximately 25,000 people are located in Quebec. The companies and the employees clearly have a major interest in the continuing success of the aerospace industry.

What are the keys to success? How did we reach the position where Canada is a world leader in aerospace? There are many reasons. I am sure hon. members across the floor would be happy to list some of them. The skills of our workforce across the country including Montreal, the quality of our educational institutions and the high standard of living that attracts people from around the world are characteristics of the industry and of the country.

[*Translation*]

But one of the most important reasons for the success of the aerospace industry in Montreal is one that Bloc members will never mention or recognize, even though they must realize that it is the truth. They will have to agree that one of the major reasons why the Montreal aerospace industry has become a world leader in the commercial aerospace sector is the benefits of a strong and united Canada.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I wish to thank the hon. member for Ottawa West for being so enthusiastic in showing how dynamic Quebec aerospace industries are, and for being so accurate in reading the directory of aerospace industries located in the Montreal region. I do not think the hon. member missed a lot of them, her inventory is excellent.

However, I want to ask her two very simple questions. There is a federal defence conversion program called DIPP. I would like to know the budget of that program and whether the Liberal government intends to increase or reduce that budget in the coming years.

Ms. Catterall: Mr. Speaker, I am sure that the hon. member will realize that I am not the Minister of Industry, that I am not his parliamentary secretary, and that I am not a member of the standing committee on industry. Consequently, I do not have the budget figures in my head. However, I can reassure the hon. member. I mentioned the case of CAE Electronics, in Montreal. The member may not be aware that this company recently received $5 million from the federal government for a project.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I want to make a comment and a clarification to the deputy whip. I have some figures regarding the so–called vitality of aerospace industries in the Montreal region. I will simply tell the hon. member that, from 1990 to 1994, 7,391 direct jobs were lost in 30 companies, including 6,684 in the following eight companies alone: Paramax, Expro, Marconi, MIL Davie, Vickers, SNC, Pratt & Whitney, and Bendix. Again 6,684 jobs were lost in these eight companies over a four–year period.

The aerospace industry is in fact experiencing a definite decline. The 7,000 people who lost their jobs are certainly not proud of the alleged vitality of that industry.

• (1650)

I would also add that, if these companies have somehow managed to expand and gain an international reputation, it is not thanks to federalism but, rather, in spite of it.

Ms. Catterall: Mr. Speaker, I would like to point out to my colleague across the way that it is Canada which has a good name worldwide in the aerospace industry, not the province of Quebec. I might point out to him as well, perhaps, that about half of the jobs in the aerospace industry are in the province of Quebec, and that 60 per cent of aerospace industry sales are in Quebec.

If he were properly acquainted with the industry, he would know very well that it has always responded to change, frequently and rapidly and has always had its ups and downs. In general, the industry has continued to improve, to grow, to step up its sales everywhere in the world, and Quebec has played a very important role in this success.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, the member for Ottawa West has been accusing us for a while now of not knowing our own program, of not being familiar with the issues. We are not, however, speaking only of the aerospace industry, but rather of defence conversion in our opposition motion. A while ago, I asked a question about DIPP budgets and she replied—this is not really an accusation—that she did not have all the figures.

I would simply remind her though you that the budget has been cut 66 per cent over the past two years, a two thirds reduction. Moreover, the plan is to bring it down from $220 million to $24 million for 1997–98. So, I am reminding her of the figures. At the same time, the program set out in the Liberal red book indicated that investments in defence conversion would be a priority.

Mr. Speaker, does the member not see a dichotomy between the reality of short–term abolition of DIPP and the red book promise to invest in defence conversion? I am not speaking of Montreal aerospace companies, but of a defence conversion program in conjunction with a promise about the defence industry and a reality.

Ms. Catterall: Mr. Speaker, I believe that it is precisely because of the change in the world context, referred to by my colleague previously, that programs must be changed. DIPP was a program for the defence industry and is perhaps not appropriate in the current context.

We have taken some very significant steps to improve the situation, particularly in the very important small and medium size industries, promoting world trade, which is very important for this sector of the industry; another very important thing we are doing is promoting specific programs for small and medium businesses. I think that the fact that a program has existed in the past does not necessarily mean it is the program for the future, and in this case DIPP was useful in the past when military sales were more substantial than they are today.

• (1655)

The Acting Speaker (Mr. Kilger): Before debate resumes, pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Okanagan—Similkameen—Merritt—Department of National Defence; the hon. member for Rosedale—Cuba; the hon. member for Davenport—nuclear weapons; the hon. member for The Battlefords—Meadow Lake—Canadian Wheat Board.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I have great difficulty accepting the proposition that the province of Quebec has suffered a disproportionately low share of defence spending over the years. I would aver that the greatest threat to the Montreal aerospace industry is the unstable economic climate that has resulted from the group of politicians who are trying to take their province out of the Canadian federation.

Canada's aerospace industry, for example Bombardier of Montreal and Bell Helicopter of Mirabel, has graduated from being a one–product firm or branch plant to becoming full fledged industry players capable of manufacturing a full range of aircraft.

This growth has placed even greater pressure on federal research and development support and new aerospace project start ups cost hundreds of millions of dollars. This may not be a large amount of money by global aerospace industry standards which are heavily subsidized, but the Canadian government has heavy debt and heavy deficits and there are insufficient funds to go around.

As for Quebec, in the 1960s the Pearson Liberal government moved the Air Canada overhaul base from Winnipeg to Montreal for political reasons. Later the Progressive Conservative government gave the F–18 maintenance contract to Montreal for political reasons, despite the fact that Bristol Aerospace of Winnipeg had submitted the lowest bid and the best bid.

Regional balancing efforts are still apparent and even now industry rivals are positioning themselves for the best shot to bid for the new helicopters. In the human resources minister's riding, the consortium of Westland Group PLC and Agusta SPA is trying to sign up Bristol Aerospace's Winnipeg operation.

When proposals were placed before the Liberal cabinet to purchase the much needed helicopters, submarines and armoured vehicles, they were stalled when regional pressures came into play. The government must realize by now that it made a mistake in cancelling the EH–101 contract. It is now trying to do a balancing act to work out communications plans to announce which province will get what specific work from contracts for military hardware.

For example, the armoured personnel carrier contract going to General Motors of London, Ontario, has been balanced with the Montreal workshop being given the contract to refurbish the M–113 armoured personnel carriers, even though the whole contract might better have gone to New Brunswick. This is regional pork barrelling and represents the essence of old style politics. However, poor political decisions and poor planning must be corrected and the armoured personnel carrier purchase starts in this direction.

Canadian soldiers have for too long been placed at risk because of inadequate equipment. Our well trained, combat capable and highly respected peacekeepers have been sent to war zones outfitted with decades old equipment, some dating from the second world war.

Morale is affected because the troops feel abandoned by their senior leadership who seem to be more interested in pleasing their political masters than taking care of their troops. Defence budgets have been poorly managed. There has been gross waste at the top and a growing rift between the frontline troops and those behind desks at national defence headquarters.

That buck stops here in Parliament with government. Political decisions will re–equip our army with modern armoured vehicles, mine clearing equipment and provide enough helmets, socks or flak jackets to outfit all our soldiers. These equipment shortages point directly at this government and previous

governments that have carried on their defence commitments without spending the money to pay for them.

For example, our troops in the former Yugoslavia have had to leave behind helmets and other basic equipment so new replacement rotations would have these necessary tools. Our defence minister has said:

> We will commit forces to such operations if suitable resources are available, and if our personnel can be appropriately armed and properly trained to carry out the task and make a significant contribution to the success of the mission.

• (1700)

Suitable resources have not been made available to protect the lives of Canadians and personnel have not been adequately armed. If Canada remains unwilling to commit the necessary resources in a timely fashion to protect and provide the needed resources for Canadian forces soldiers, we will be forced to rely on the heavy weapons of other countries or step back and let nations willing to spend the money to equip their troops do the job.

If the government plans to deploy a larger force on multilateral peacekeeping missions, our men and women will find themselves short of everything from modern night vision gear to anti-armour weapons, heavy machineguns and updated communications equipment.

The procurements of new equipment such as the helicopters, armoured vehicles and submarines are vital replacements for aging equipment, not new capabilities. They meet only the minimum requirements to enable Canada to maintain a semblance of controlling its destiny.

Canada is bound by law and treaty to provide domestic security, collective defence and participation in multilateral peacekeeping operations. Each role requires its own capabilities. If the Canadian forces are to do the tasks requested of them, they must have the necessary tools to perform those tasks.

Government has belatedly addressed the need for new and refurbished armoured vehicles and it seems there is enough money in the defence budget for submarines to replace the navy's aging Oberon class vessels, but cabinet is again dragging its feet, while affordable options available now could be lost. These replacement submarines could be picked up second hand from Britain at a bargain price, but the window of opportunity is closing quickly.

Over many years the Canadian navy has developed substantial experience in submarine and anti-submarine operations. Although the cold war may have ended, there are still over 700 submarines in service with more than 40 nations around the world and others are under construction. Submarines have become the weapon of choice for many small nations with limited defence budgets. It would seem shortsighted for Canada's defence forces to forgo the opportunity to retain and profit from their submarine expertise. Canada's three Oberon class patrol submarines, procured in the 1960s, are now reaching the end of their operational life, having become increasingly restricted and expensive to operate. Thus, Canada must now choose whether to retain or give up our submarine capability.

The Liberal government's cancellation of the 43 EH-101 shipborne and search and rescue helicopters because they were too costly means that it will be necessary to buy aircraft off the shelf in Europe or the United States. That means the government has sacrificed benefits to the Canadian economy the EH-101 would have created. The CH-133 Labradors, which have been in service since 1963, will finally be replaced with up to 15 new helicopters, type and capabilities unknown.

I have great difficulty accepting the government's placing a bid for up to 15 helicopters. How many do we need? Do we need 10? Do we need 12? Do we need 14? Or do we need 15? If we are setting a dollar figure and saying we will buy as many as that figure will buy, that does not seem to be the way to do the job. We either need 15 helicopters or 14 or whatever the number is, and that is what we should bid for.

Government tenders will be issued early next year for bids on the new helicopters. The new fleet is to commence operations by December 1998, with all replacement helicopters in service by October 2001.

Without question, the government has had to reduce the capabilities of the replacement helicopters by at least 15 per cent to save on costs. These helicopters are to be used to save lives in emergency situations and under predictably severe conditions. I do not think the people who are on the receiving end of life saving efforts will appreciate that they are being served by a less than fully capable helicopter. By fully capably I mean all weather, icing and night capabilities.

Canada is still left without a shipborne helicopter capability to replace the troubled aging Sea Kings. In the 1970s DND began a long term plan to replace Sea Kings, which at that time had been in service for 15 years. It was understood that the Sea Kings would be kept in service until the 1990s. Finally, in 1986 Treasury Board gave approval to clear the way for industry to submit proposals on a replacement helicopter.

• (1705)

Aérospatiale of France and European Helicopter Industries, EHI, both submitted proposals. In August 1987 the EH-101 was chosen. In 1988 that contract was awarded.

The Sea King replacement package will be very nearly as expensive as the EH–101 would have been, but without any Canadian industrial participation and benefits to regions across Canada.

The government is well into its mandate and is attempting to put together a package that will look good to the public. It is announcing equipment purchases in bits and pieces to hide the real costs involved, talking of leasing and staggering new purchases in such a way as to camouflage the real costs.

The cost of cancelling the EH–101 may be as much as $680 million when termination penalties, sunk costs on the program and the acquisition costs are considered. In fact others have estimated that the EH–101 cancellation costs will approach $1 billion.

British government auditors will review and certify claims for compensation submitted by EH Industries to the Canadian government. This would not be subject to negotiation, but behind the scenes EH Industries could receive favoured status in the new helicopter bidding in exchange for reduced compensation for the cancelled contract.

The government had already paid $336 million toward the EH–101 prior to its cancellation. The 1994 main estimates set aside a further $250 million for settlement payments. Thus, if these earmarked funds are spent the taxpayers will have paid $586 million without acquiring a single helicopter. This does not take into account the loss of work in high tech jobs, the direct and indirect compensation for Canadian industry, nor the military, which was left dealing with the many problems associated with our aging Sea Kings and Labradors.

Cancellation of this contract has left the frigates and the Tribal class destroyers lacking the capabilities of a new shipborne helicopter.

The government promised in the defence white paper that it would immediately begin to identify options and plans to put into service a new, affordable replacement shipborne helicopter by the end of the decade.

The price tag attached to the EH–101 purchase included approximately $1.6 billion to $2 billion for the training of air crew, maintenance, spare parts, operating expenses and administration. It was an all–inclusive cost program, unlike any that had been run before it, to my knowledge.

The 1992–93 fixed cost for the EH–101 program was $4.4 billion, but a figure frequently used by the media and by the Liberal government was $5.8 billion, which was the inflation adjusted projected cost for the end of the program and not a true reflection of the actual costs.

The EH–101 program was spread over 13 years and its life expectancy was 30 to 40 years. Many alternative off the shelf aircraft have only light icing capability, while the EH–101 was a true all weather aircraft.

One of the key factors that led DND to select the EH–101 was that it could replace both the Sea King and the Labrador, keeping the costs of the new shipborne aircraft as low as possible. Replacing both the Sea King and the Labrador with one aircraft gave Canada the opportunity to lower the production and long term maintenance costs. One aircraft means lower production costs per airframe, one spares chain, a single maintenance schedule and a single pilot training program. Government has basically thrown the baby out with the bath water because of ill–informed politically based election strategy.

Now it is all smoke and mirrors. Contracts and announcements are dragged out while the Canadian forces wait on their political masters to determine their fate. Time is being frittered away. Government must move ahead immediately, either to replace aging equipment or reduce overseas commitments and obligations.

Notwithstanding the foregoing, we believe that in defence spending, as in other spending, the raison d'être should be the best equipment at the best price. That means that we do not get into the defence department supporting regional development. We buy defence equipment based on defence needs and defence dollars are spent on defence. Once we get into trying to prop up an area or balance that prop with another prop elsewhere, the defence department carries disproportionate costs, which do not accurately reflect the money that is to be spent on the defence budget.

• (1710)

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, today as I look at the motion before the House, in particular at the last lines of it, I am amazed by its wording. The motion ends up saying "thus endangering the Canadian aerospace industry located in Montreal".

What is being said there actually is that we cannot compete with other people around the world. That is wrong. We as Canadians have proven in the high tech field that we can compete around the world and in many areas we lead the world. I will not accept for one minute that the aerospace industry in Montreal or Boeing in Canada or any others cannot compete.

As we talk about the Department of National Defence's support for the Canadian defence industry, let us remember that a lot of things have been done jointly between the military and civilian companies to put success stories together. They have worked very co–operatively over the years.

Let us look at some examples from the past several years of Canadian defence company successes. The contracts awarded in the late 1970s and early 1980s to a Quebec firm, Bombardier, for jeeps and medium weight trucks are a good example. As we all know, under able leadership the company established itself as

world class while generating significant revenues and employment in Quebec.

National Defence has continued to contract with Bombardier–Canadair for the CF–18 systems engineering support. Canadair is now endeavouring to market a CF–18 support expertise abroad. The Department of National Defence is supporting these efforts by way of making available technical personnel to brief foreign defence officials on the Department of National Defence's maintenance and support regimes and how Canadair fits in.

People who leave the Canadian forces through retirement quite often go into other companies and take their expertise with them. This is just an extension of defence helping them out during the days of active service of a member of the forces.

More recently, the Department of National Defence provided similar assistance to a Kitchener–Waterloo firm, Diemaco, a manufacturer of small arms. The Department of National Defence was there to assist Diemaco in its marketing efforts with the Dutch. A defence materiel co–operation memorandum of understanding in place with the Netherlands facilitated our efforts and those of Diemaco.

Through our involvement in NATO, specifically in joint NATO projects and through the NATO industrial advisory group, the Department of National Defence in Canada has played a key role in identifying opportunities for Canadian firms and assisting them to participate in NATO projects in the development stage. Quebec aerospace firms in particular are very active. Among them are CAE, Canadian Marconi, Heroux, Oerlikon Aerospace, SNC and Bell Helicopter.

• (1715)

Examples of important contracts include: CAE simulators for NATO AWACS aircraft which enabled the company to become a major competitor for simulators on AWACS, airborne early warning and control systems type aircraft; Héroux landing gear for NATO AWACS aircraft which positioned it to compete for and win other 707 aircraft business; allied signal actuation systems for military air to air and shipborne missiles known as the NATO Sea Sparrow.

[*Translation*]

National Defence offered its support along with other defence departments in co–operation with other departments to Canadian defence contractors. The most recent example is of the firm Héroux Québec, which lost its bid for a contract to repair and maintain landing gear for the American air force.

Héroux had been doing the work satisfactorily for many years. However, when the contract came up for renewal, this Canadian firm lost out to a bid made by USAF interests under rather dubious circumstances. Héroux appealed the awarding of the contract to American authorities. With the help of our officials here in Ottawa and in Washington, the Departments of Foreign Affairs and International Trade put considerable pressure on the American authorities and on the USAF. Héroux and its advisors also made very well supported appeals so that the work on the landing gear could continue.

[*English*]

We realize that if Canadian defence contractors are to survive, they cannot depend on Department of National Defence procurement alone. This is more true as the Canadian forces have been reduced in size. They must export or sell to commercial markets or both. National defence has provided assistance in the form of loans of equipment, material and personnel for demonstration purposes and the use of facilities to test and evaluate product enhancements or to demonstrate products. Generally speaking, this form of assistance has not placed overly significant demands on our resources.

We have however over the past three years devoted significant time and effort in organizing industry promotional events in conjunction with ship visits to foreign ports. Some 25 Canadian companies, including the Quebec firms, Loral Canada, formerly Paramax and UNYSIS Canada; CAE; Bell Helicopter; and Canadian Marconi have participated in ship visits by Canadian patrol frigates to ports in Asia, the Middle East, Europe, the United States and South America. CAE, a company which participated in every ship visit has told us that the ship visit to Korea led directly to a major contract in that country.

• (1720)

I have named but a few of the successful Canadian defence and defence related companies. These companies are located in virtually every region of the country. Canadian defence and defence related companies are successful by their own efforts. They build on their strengths and their reputations to produce competitive leading edge technologies. They aggressively market them throughout the world. They diversify into commercial or dual use markets and also aggressively pursue those markets.

Again it is Quebec aerospace and defence electronics companies like Héroux that recently won a major contract for commercial aircraft work. Canadian Marconi and Spar Aerospace are in the forefront of diversifying their operations and are going after increased exports and commercial work. Other progressive firms like Indal Technologies of Mississauga, Ontario are also building on their expertise and aggressively pursuing foreign markets, sonars for the royal navy, helicopter haul down systems for the U.S. and Japanese navies.

If I may go back to one of my original comments, Boeing Incorporated has branch companies in Arnprior, Ontario and Winnipeg, Manitoba. These companies have done well in Canada when they have been given a chance to bid openly on the market. However, during the latter years of the Conservative government they were not even given a chance to bid. They have since revolted against that type of attitude. Companies located here in Canada, whether they are branch companies or original Canadian companies, want a chance to bid on the open market for these contracts. It is a healthy situation for all of them.

I know that Boeing was very disgusted with the bidding process during the Conservative government years. We came to office with the promise that we were going to open up the system for bids. People were going to have an opportunity to play fair, to be able to bid on the open market, to make up their engineering designs and submit them and have them properly perused. A successful bidder would be picked with integrity and honesty. That is the route this government is taking.

As today's motion indicates, we are now opening up bids for helicopters. A lot has been said about the cancellation of the EH–101. Let us remember that particular contract had a bad beginning. That was one company which had been given favouritism and other companies in Canada did not have a chance to openly bid on that contract. Helicopters were built for search and rescue that were also built for on board ship helicopters. Those helicopters do not have to be the same. Because everything was built into both of them, the cost of those helicopters went through the roof. That was one of the key problems with it.

• (1725)

If the best deal is to buy a helicopter off the shelf and put the goods into it here, then that is the way we should go, providing everybody has the opportunity to buy those helicopters and to put the equipment in them. Any subcontracting that would be done would be open to Canadian companies. They would have a chance to put their expertise and their various engineering departments to work. They could sit down, draw their plans and present their best effort. Experts in the defence department along with other personnel would review these contracts and would decide which was the lowest bid and the best bid. We would be getting the best product for our money.

It is very important that these companies understand they have a fair place to bid in the Canadian nation. To come forward and insinuate in a motion to this House that a company located in Montreal or in any other part of Canada is not capable of competing responsibly does not give credit where credit is due to our companies.

Many professionals are retiring from our armed forces. They are going into these aerospace companies with their expertise and years of experience having handled the equipment. They too will have new ideas. They will have an excellent idea as to what must be in that product if it is going to be the best for Canadian aerospace products.

Our Canadian forces will be smaller. Therefore it is very important that they have the best equipment in the years to come. I was rather surprised when a senior person in the forces said to me the other day that the new technologies the Canadian forces have makes it almost possible for a regiment to do today what it took a whole battalion to do a few years ago.

People who have worked over the years on aeroplanes, on shipborne helicopters and on search and rescue helicopters know what is needed in those desolate spots. They know what is needed when there are high windstorms. They know what is needed when facing great difficulties at sea. Those people are important to the companies. They know what is needed and what should be recommended.

The Department of National Defence with its expertise and others it can draw upon put all of that in the bids to begin with. There may be some very good suggestions thereafter on the part of those experts who work for the companies making bids. Suggestions are always welcome in the aerospace business as in any other business.

It is good to have a debate in the House today on the subject of the Minister of National Defence having made the announcement that we are now open for bids on search and rescue helicopters. That is not the route which the previous government would have taken.

We have told Canadians through the Minister of National Defence that search and rescue helicopters are now up for bid. Companies can bid on them. May the best company with the best product win. In that way our Canadian forces and those who are going to be flying search and rescue helicopters in the future will be well served. Those for whom the search is made will have a better chance of survival because we have a good aerospace business. Our people are quite capable of producing a good product here.

Finally, I say buy the product off the shelf, put into it what we absolutely need to make a good and reliable product and let us go from there. It is an open system. It is a fair system. It is a bidding system. It adds to the integrity that the government is trying to put back into the minds of the Canadian public so the taxpayers will know they are getting the best for their dollar because the bidding system is open again. It is not back room dealing, it is up front bidding.

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81, proceedings on the motion have expired.

Supply

[*Translation*]

MANGANESE BASED FUEL ADDITIVES ACT

The House resumed from November 9, consideration of the motion that Bill C–94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the third time and passed, and of the amendment.

The Acting Speaker (Mr. Kilger): Pursuant to order adopted Friday, November 10, 1995, the House will now proceed to the taking of the deferred division on the amendment of the member for Esquimalt—Juan de Fuca.

Call in the members.

● (1750)

[*English*]

Before the taking of the vote:

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent that the two private member's items to be voted on, namely Bills C–317 and C–275, be dealt with after the government bills now before the House.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): The question is on the amendment.

The House divided on the amendment, which was negatived on the following division:

(Division No. 370)

YEAS

Members

Abbott
Asselin
Bélisle
Benoit
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud–Est)
Chatters
Crête
de Savoye
Dubé
Dumas
Fillion
Frazer
Gauthier
Grubel
Guimond
Hanrahan
Harris
Hermanson
Hoeppner
Jennings
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Ablonczy
Bachand
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Brien
Caron
Chrétien (Frontenac)
Dalphond–Guiral
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Guay
Hanger
Harper (Calgary West/Ouest)
Hart
Hill (Macleod)
Jacob
Lalonde
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
Mills (Red Deer)
Nunez
Penson
Plamondon
Ramsay
Rocheleau
Schmidt
Silye
Speaker
Stinson
Tremblay (Rimouski—Témiscouata)
Venne
Williams—81
Morrison
Paré
Picard (Drummond)
Pomerleau
Ringma
Sauvageau
Scott (Skeena)
Solberg
St–Laurent
Strahl
Tremblay (Rosemont)
Wayne

NAYS

Members

Adams
Allmand
Anawak
Arseneault
Augustine
Bakopanos
Beaumier
Bélanger
Bernier (Beauce)
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collins
Copps
Culbert
Dhaliwal
Discepola
Duhamel
English
Finestone
Flis
Fry
Gagliano
Gallaway
Godfrey
Grose
Harper (Churchill)
Hickey
Hubbard
Iftody
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacDonald
Maheu
Maloney
Marchi
Martin (LaSalle—Émard)
McGuire
McLaughlin
McTeague
Mifflin
Mills (Broadview—Greenwood)
Murphy
Nunziata
Pagtakhan
Parrish
Payne
Peters
Phinney
Proud
Regan
Rideout
Robillard
Rock
Shepherd
Alcock
Althouse
Anderson
Assad
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bélair
Bellemare
Bertrand
Blaikie
Bodnar
Boudria
Brushett
Calder
Cannis
Cauchon
Chan
Cohen
Comuzzi
Cowling
de Jong
Dingwall
Dromisky
Easter
Fewchuk
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Graham
Harb
Harvard
Hopkins
Ianno
Jackson
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Marleau
McCormick
McKinnon
McLellan (Edmonton Northwest/Nord–Ouest)
McWhinney
Milliken
Minna
Murray
O'Reilly
Paradis
Patry
Peric
Peterson
Pillitteri
Reed
Richardson
Ringuette–Maltais
Robinson
Scott (Fredericton—York—Sunbury)
Sheridan

Simmons
Solomon
St. Denis
Szabo
Telegdi
Thalheimer
Ur
Verran
Wappel
Whelan
Zed—151

Skoke
Speller
Stewart (Brant)
Taylor
Terrana
Torsney
Valeri
Walker
Wells
Wood

PAIRED MEMBERS

Bouchard
Collenette
Dupuy
Ménard
O'Brien

Canuel
Daviault
Eggleton
Mercier
Young

• (1800)

The Acting Speaker (Mr. Kilger): I declare the amendment lost.

* * *

[*Translation*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed from November 20, 1995, consideration of the motion that Bill C–96, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed with the deferred division on the amendment of Mrs. Lalonde.

The division is on the amendment.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find there is unanimous consent for applying the results of the vote on the amendment on third reading of Bill C–94 to the motion now before the House.

[*English*]

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

Mr. Ringma: Agreed.

Mrs. Wayne: I will be voting nay.

Mr. Bryden: Mr. Speaker, I was not here for the first vote. I would like to be recorded as voting with the government on this amendment.

(The House divided on the amendment, which was negatived on the following division:)

Supply

(Division No. 371)

YEAS

Members

Abbott
Asselin
Bélisle
Benoit
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud-Est)
Chatters
Crête
de Savoye
Dubé
Dumas
Fillion
Frazer
Gauthier
Grubel
Guimond
Hanrahan
Harris
Hermanson
Hoeppner
Jennings
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mills (Red Deer)
Nunez
Penson
Plamondon
Ramsay
Rocheleau
Schmidt
Silye
Speaker
Stinson
Tremblay (Rimouski—Témiscouata)
Venne

Ablonczy
Bachand
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Brien
Caron
Chrétien (Frontenac)
Dalphond-Guiral
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Guay
Hanger
Harper (Calgary West/Ouest)
Hart
Hill (Macleod)
Jacob
Lalonde
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
Morrison
Paré
Picard (Drummond)
Pomerleau
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Strahl
Tremblay (Rosemont)
Williams—80

NAYS

Members

Adams
Allmand
Anawak
Arseneault
Augustine
Bakopanos
Beaumier
Bélanger
Bernier (Beauce)
Bevilacqua
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chan
Cohen
Comuzzi
Cowling
de Jong
Dingwall
Dromisky
Easter
Fewchuk
Finlay

Alcock
Althouse
Anderson
Assad
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bélair
Bellemare
Bertrand
Blaikie
Bodnar
Boudria
Brushett
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collins
Copps
Culbert
Dhaliwal
Discepola
Duhamel
English
Finestone
Flis

Fontana	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Godfrey
Graham	Grose
Harb	Harper (Churchill)
Harvard	Hickey
Hopkins	Hubbard
Ianno	Iftody
Jackson	Jordan
Keyes	Kirkby
Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Malhi	Maloney
Manley	Marchi
Marleau	Martin (LaSalle—Émard)
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Murphy
Murray	Nunziata
O'Reilly	Pagtakhan
Paradis	Parrish
Patry	Payne
Peric	Peters
Peterson	Phinney
Pillitteri	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robillard
Robinson	Rock
Scott (Fredericton—York—Sunbury)	Shepherd
Sheridan	Simmons
Skoke	Solomon
Speller	St. Denis
Stewart (Brant)	Szabo
Taylor	Telegdi
Terrana	Thalheimer
Torsney	Ur
Valeri	Verran
Walker	Wappel
Wayne	Wells
Whelan	Wood
Zed—153	

PAIRED MEMBERS

Bouchard	Canuel
Collenette	Daviault
Dupuy	Eggleton
Ménard	Mercier
O'Brien	Young

• (1805)

[*Translation*]

The Acting Speaker (Mr. Kilger): I declare the amendment lost.

[*English*]

AUDITOR GENERAL ACT

The House resumed from November 20 consideration of Bill C-83, an act to amend the Auditor General Act, as reported (with amendments) from the committee; and of the motion.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on the motion at report stage of Bill C-83, an act to amend the Auditor General Act.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent that the members who voted on the previous motion be deemed to have voted on the motion now before the House, with Liberal members voting yea.

[*Translation*]

Mr. Duceppe: Members of the Bloc Quebecois will vote against this motion.

[*English*]

Mr. Ringma: Mr. Speaker, Reform members will vote against it, except those who choose to vote otherwise.

Mr. Solomon: Mr. Speaker, New Democratic Party members in the House today will vote nay on this issue.

Mrs. Wayne: Mr. Speaker, the PC members in the House will vote nay on this issue.

Mr. Bernier (Beauce): Yea.

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

(*Division No. 372*)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Augustine
Bakopanos	Barnes
Beaumier	Bélair
Bélanger	Bellemare
Bernier (Beauce)	Bertrand
Bevilacqua	Blondin-Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Caccia	Calder
Campbell	Cannis
Catterall	Cauchon
Chamberlain	Chan
Clancy	Cohen
Collins	Comuzzi
Copps	Cowling
Culbert	Dhaliwal
Dingwall	Discepola
Dromisky	Duhamel
Easter	English
Fewchuk	Finestone
Finlay	Flis
Fontana	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Godfrey
Graham	Grose
Harb	Harper (Churchill)

Harvard
Hopkins
Ianno
Jackson
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Murphy
Nunziata
Pagtakhan
Parrish
Payne
Peters
Phinney
Proud
Regan
Rideout
Robillard
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
St. Denis
Szabo
Terrana
Torsney
Valeri
Walker
Wells
Wood
Hickey
Hubbard
Iftody
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacDonald
Maheu
Maloney
Marchi
Martin (LaSalle—Émard)
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Minna
Murray
O'Reilly
Paradis
Patry
Peric
Peterson
Pillitteri
Reed
Richardson
Ringuette-Maltais
Rock
Shepherd
Simmons
Speller
Stewart (Brant)
Telegdi
Thalheimer
Ur
Verran
Wappel
Whelan
Zed—144

NAYS

Members

Abbott
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Bélisle
Benoit
Bernier (Gaspé)
Blaikie
Brien
Caron
Chrétien (Frontenac)
Dalphond-Guiral
de Savoye
Dubé
Dumas
Fillion
Frazer
Gauthier
Grubel
Guimond
Hanrahan
Harris
Hermanson
Hoeppner
Jennings
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
McLaughlin
Morrison
Paré
Ablonczy
Asselin
Bachand
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud-Est)
Chatters
Crête
de Jong
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Guay
Hanger
Harper (Calgary West/Ouest)
Hart
Hill (Macleod)
Jacob
Lalonde
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
Mills (Red Deer)
Nunez
Penson
Picard (Drummond)
Pomerleau
Ringma
Rocheleau
Schmidt
Silye
Solomon
St-Laurent
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
Williams —89
Plamondon
Ramsay
Robinson
Sauvageau
Scott (Skeena)
Solberg
Speaker
Stinson
Taylor
Tremblay (Rosemont)
Wayne

PAIRED MEMBERS

Bouchard
Collenette
Dupuy
Ménard
O'Brien
Canuel
Daviault
Eggleton
Mercier
Young

The Acting Speaker (Mr. Kilger): I declare the motion carried.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADA LABOUR CODE

The House resumed from November 10, consideration of the motion that Bill C-317, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services), be read a second time and referred to the Standing Committee on Human Resources Development.

The Acting Speaker (Mr.Kilger): Pursuant to the order adopted Friday, October 10, the House will now proceed to the taking of the deferred division on the motion by Mr. St-Laurent.

[*English*]

As it is the practice, the division will be taken row by row starting with the mover and then proceeding with those in favour of the motion sitting on the same side of the House as the mover. Then those in favour of the motion sitting on the other side of the House will be called.

[*Translation*]

Those opposed to the motion will be recorded in the same order.

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

(*Division No. 373*)

YEAS

Members

Adams
Allmand
Arseneault
Asselin
Bachand
Barnes
Alcock
Althouse
Assad
Axworthy (Saskatoon—Clark's Crossing)
Bakopanos
Beaumier

Bélair	Bélisle
Bellehumeur	Bergeron
Bernier (Beauce)	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Blaikie	Brien
Caccia	Caron
Chrétien (Frontenac)	Clancy
Cohen	Crête
Dalphond-Guiral	de Jong
de Savoye	Deshaies
Dubé	Duceppe
Dumas	Easter
Fillion	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gagnon (Québec)	Gallaway
Gauthier	Godin
Guay	Guimond
Harper (Churchill)	Harvard
Hickey	Hubbard
Ianno	Jacob
Knutson	Kraft Sloan
Lalonde	Landry
Langlois	Laurin
Lavigne (Verdun—Saint-Paul)	Lebel
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
Loubier	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Marchand	McLaughlin
McTeague	Mills (Broadview—Greenwood)
Minna	Nunez
O'Reilly	Pagtakhan
Paré	Parrish
Patry	Peric
Picard (Drummond)	Plamondon
Pomerleau	Proud
Regan	Richardson
Ringuette-Maltais	Robinson
Rocheleau	Sauvageau
Scott (Fredericton—York—Sunbury)	Solomon
Speller	St-Laurent
Taylor	Telegdi
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Venne
Verran	Wells
Wood	Zed —104

NAYS

Members

Abbott	Ablonczy
Anawak	Anderson
Augustine	Bélanger
Bellemare	Benoit
Bevilacqua	Blondin-Andrew
Boudria	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud-Est)	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Chan	Chatters
Collins	Comuzzi
Cowling	Culbert
Dhaliwal	Duhamel
English	Epp
Fewchuk	Finestone
Finlay	Flis
Fontana	Forseth
Frazer	Fry
Gaffney	Gerrard
Godfrey	Graham
Grose	Grubel
Hanger	Hanrahan
Harb	Harper (Calgary West/Ouest)
Harris	Hart
Hermanson	Hill (Macleod)
Hoeppner	Hopkins
Iftody	Irwin
Jackson	Jennings
Jordan	Keyes
Kirkby	Lastewka
Lee	Loney
Malhi	Maloney
Manley	Manning
Marchi	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney	Mifflin
Milliken	Mills (Red Deer)
Morrison	Murray
Nunziata	Paradis
Penson	Peters
Phinney	Pillitteri
Ramsay	Reed
Rideout	Ringma
Robillard	Rock
Schmidt	Scott (Skeena)
Shepherd	Silye
Skoke	Solberg
Speaker	St. Denis
Stewart (Brant)	Stinson
Strahl	Szabo
Terrana	Thalheimer
Torsney	Valeri
Wappel	Wayne
Whelan	Williams —114

PAIRED MEMBERS

Bouchard	Canuel
Collenette	Daviault
Dupuy	Eggleton
Ménard	Mercier
O'Brien	Young

The Acting Speaker (Mr. Kilger): I declare the motion negatived.

* * *

• (1820)

[*English*]

ENDANGERED AND THREATENED SPECIES ACT

The House resumed from November 20 consideration of the motion that Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): Pursuant to order made on Monday, November 20, the House will now proceed to the taking of the deferred division on the motion of the hon. member for Davenport at second reading stage of Bill C-275.

As with the previous vote, the vote will take place row by row.

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

(*Division No. 374*)

YEAS

Members

Adams
Allmand
Anawak
Arseneault
Augustine
Bakopanos
Beaumier
Bélanger
Bernier (Beauce)
Bevilacqua
Blondin–Andrew
Bonin
Brown (Calgary Southeast/Sud–Est)
Brushett
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collins
Cowling
de Jong
Discepola
Duhamel
English
Fewchuk
Finlay
Fontana
Frazer
Gaffney
Gerrard
Graham
Harb
Harper (Churchill)
Hickey
Hubbard
Irwin
Jennings
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacDonald
Maheu
Maloney
Manning
Marleau
Martin (LaSalle—Émard)
McGuire
McLaughlin
McTeague
Milliken
Minna
Murray
O'Reilly
Paradis
Patry
Peric
Peterson
Pillitteri
Reed
Richardson
Ringuette–Maltais
Robinson
Scott (Fredericton—York—Sunbury)
Sheridan
Solomon
Speller
Stewart (Brant)
Taylor
Terrana
Torsney
Valeri
Wappel
Wells
Williams
Alcock
Althouse
Anderson
Assad
Axworthy (Saskatoon—Clark's Crossing)
Barnes
Bélair
Bellemare
Bertrand
Blaikie
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chan
Cohen
Comuzzi
Culbert
Dhaliwal
Dromisky
Easter
Epp
Finestone
Flis
Forseth
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Godfrey
Grose
Harper (Calgary West/Ouest)
Harvard
Hopkins
Ianno
Jackson
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
McCormick
McKinnon
McLellan (Edmonton Northwest/Nord–Ouest)
McWhinney
Mills (Broadview—Greenwood)
Murphy
Nunziata
Pagtakhan
Parrish
Payne
Peters
Phinney
Proud
Regan
Rideout
Robillard
Rock
Shepherd
Skoke
Speaker
St. Denis
Szabo
Telegdi
Thalheimer
Ur
Verran
Wayne
Whelan
Wood—154

NAYS

Members

Abbott
Asselin
Bélisle
Benoit
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Caron
Chrétien (Frontenac)
Dalphond–Guiral
Deshaies
Fillion
Gauthier
Grubel
Guimond
Hanrahan
Hart
Hill (Macleod)
Jacob
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Mills (Red Deer)
Nunez
Penson
Plamondon
Ramsay
Rocheleau
Schmidt
Silye
St–Laurent
Strahl
Tremblay (Rosemont)
Ablonczy
Bachand
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Brien
Chatters
Crête
de Savoye
Duceppe
Gagnon (Québec)
Godin
Guay
Hanger
Harris
Hermanson
Hoeppner
Lalonde
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Marchand
Morrison
Paré
Picard (Drummond)
Pomerleau
Ringma
Sauvageau
Scott (Skeena)
Solberg
Stinson
Tremblay (Rimouski—Témiscouata)
Venne—68

PAIRED MEMBERS

Bouchard
Collenette
Dupuy
Ménard
O'Brien
Canuel
Daviault
Eggleton
Mercier
Young

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the second time and referred to a committee.)

The Acting Speaker (Mr. Kilger): It being 6.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

* * *

TREATMENT OF MUNICIPAL SEWAGE

The House resumed from October 19 consideration of the motion; and of the amendment.

The Acting Speaker (Mr. Kilger): The last time the matter was before the House the hon. member for Glengarry—Prescott—Russell, the chief government whip, had the floor and had approximately five minutes remaining in debate.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, two weeks ago, when I was interrupted by a member calling quorum, I was in the process of discussing the infrastructure program, but an incident occurred. It is worthwhile reviewing it for the House.

[*English*]

It went like this. The Reform Party proposed a motion. While we were debating its motion it called quorum on itself. Then it failed to produce the quorum it had asked for and we had to adjourn the House. I understand from the annals of parliamentary history that this is rather unprecedented.

We always have new things when we deal with the Reform Party and calling quorum on oneself is one of those things. If that were not bad enough, failing to produce it afterward beat it by a bit. In any event it interrupted my speech for two weeks. I am just catching my second wind but I will get around to it.

We have a motion from the Reform Party about infrastructure. It tells us that the government should be in favour of improving treatment of municipal sewage and so on. That is exactly what we are doing through the infrastructure program, the very successful infrastructure program, might I add, which has brought many water, sewer and such improvements to a variety of localities in Canada.

I know the member across the way is saying that is not good.

Mr. Harris: Not that many.

Mr. Boudria: "Not that many" he says. I am glad he asks how many. Let me bring them to the attention of the House. In the province of British Columbia water and sewer projects have been approved so far in the order of $493 million. That is not enough, say the Reformers; they said not many. In Alberta, a place familiar perhaps to one or two Reform MPs, it was $149 million.

• (1835)

We are only talking about water and sewer. We are not talking about roads, highways, engineering, non-residential gas and oil, equipment, dams and irrigation. We are only talking about those infrastructure projects.

In Saskatchewan it was $80 million; in Manitoba, $53 million, and in Ontario, $355 million again in the area of water and sewer. In Quebec it was $537 million; in New Brunswick, $89 million, and so on. I could go on and on with the numbers in this wonderful program promised by the Liberal Party in the red book and delivered for the benefit of all Canadians.

Those are grants under the infrastructure program for water and sewer of the kind the hon. member for Comox—Alberni is asking us to support. There is some dissension within the ranks of the Reform Party on this subject, particularly in the mind of the Reform Party member from Simcoe who denounced some weeks ago the infrastructure program. He said that it was a porkfest or something like that. Those were words he used.

However, not long before he had written a letter to the minister responsible for infrastructure, the President of the Treasury Board who does a fine job in this regard, by the way. This is the Reform MP from Simcoe who had previously denounced such projects as porkfests when they were in somebody else's riding. Now that they were in his riding he sent a letter asking for the government to support not one, not two, but three projects including the same kind of arena he denounced in somebody else's riding. That was only a coincidence. Yes, Reformers do that from time to time.

Some hon. members: Shame.

Mr. Boudria: My colleagues are totally upset. I ask them to contain themselves. I know it is terribly upsetting for them to see Reformers do it, but I am sure the recall process will take care of them when they talk out of both sides of their mouths like that.

The hon. member for Comox—Alberni has also had a number of such projects in his riding. For instance, in the village of Ucluelet it cost $2.27 million to repair its inlet. In the regional district of Comox—Strathcona it cost $749,000 to upgrade sewage pumps. In Port Alberni it cost $113,000 to increase the sewage lagoon capacity. In the village of Cumberland, which is a great name in my riding as well, it cost $41,000 to upgrade sanitary sewers. The government and the President of the Treasury Board should be congratulated by the member for Comox—Alberni.

I thought I would have a few more minutes because I was interrupted for two weeks, but if my time has expired I guess I will have to accept it.

The Acting Speaker (Mr. Kilger): I know the member worked diligently over the past few weeks to prepare himself for this intervention but the rules must prevail.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I enjoyed the comments by the hon. member for Glengarry—Prescott—Russell. As off target as they were, the hon. member talked about some projects that involved sewer work, work on the systems. However I think he missed the real intent of the bill.

• (1840)

The member of the Reform Party tried to address that there are a number of major cities in the country that fail to treat some or all their sewage. In other words, major cities such as Vancouver, Victoria, Halifax and even Montreal are dumping large quanti-

ties of raw sewage untreated into the harbours. This is what the hon. member for Comox—Alberni is trying to get at in the bill.

Most towns and cities across the country have sewage treatment and sewage carrying facilities. It is difficult to believe that in 1995 major cities in Canada fail to treat their sewage in any way and dump it raw into the oceans and rivers.

I mentioned the dumping of raw sewage occurs in Halifax, Vancouver, Victoria and Montreal. It is interesting that it also occurs in Montreal. Hon. members will be interested to note that despite the fact Montreal has a very serious problem with its sewage, it was awarded the NAFTA environmental secretariat by the Liberal government. I assume a city would get such an award because it practises good environmental standards. Yet the city of Montreal, a very serious offender in the dumping of raw sewage, was chosen by the Minister of the Environment to receive the environmental secretariat.

Why would the minister overlook a serious environmental problem and award a secretariat on environmental issues to the city of Montreal? Could it be just another appeasement to the province of Quebec that was not deserved in the first place?

In 1994 it was reported that 17 major cities in Canada failed to treat some or all of their sewage. While provincial governments set the standards for sewage treatments, it is up to the municipality to actually treat the sewage. Many cities have lagoons that provide minimal treatment. In some of the cities I mentioned raw sewage minus the solids is dumped directly into the ocean or water basin. Needless to say, the dumping of raw sewage poses a serious health hazard.

In dealing with health hazards, one of the most notable examples occurred earlier this year on a reserve in Manitoba when a number of residents fell seriously ill because the treatment facility of their town had fallen into disrepair.

Pollution resulting from sewage not only damages our health but damages our economy. Members are aware the cities I mentioned are in many cases large tourist attractions in Canada, particularly Victoria and Vancouver, where probably a few million tourists come to enjoy their aesthetic qualities. However they are shocked to find a practice that allows the dumping of raw sewage into the harbour. This does not bode well for the tourist industry. Members will be aware that in some areas tourism is crucial to the economy. Vancouver and Victoria are good examples.

• (1845)

Pollution from sewage is very damaging to the fishing industry. Sewage degrades the water quality and dissolves oxygen levels resulting in damage to marine life and polluted shorelines. Our fishery plays an important role in the Canadian economy on both the east and west coasts. While overfishing has damaged the fishery to a great extent, it is shameful that it continues to be damaged by our own wilful neglect in not setting some standards for treating raw sewage.

The member for Comox—Alberni and I certainly think it is time to take the matter of untreated sewage seriously. The red ink book of the Liberals talks about the detrimental effects of untreated sewage. It promises to assist provincial, regional and municipal governments to finance new or renewed sewage treatment infrastructure.

In order to facilitate a clean–up, the Liberal government introduced its infrastructure program to look after some of these problems. This program was introduced despite the fact the government did not have any money, provincial governments did not have any money and the municipalities did not have any borrowing authority unless by a referendum or some other process given to them by their citizens.

This program was intended to address some of the serious problems in sewage treatment and sewage transport and that is good. If specific areas of concern were addressed, then we would probably have less problem with the infrastructure program than we do despite the fact that it was done on borrowed funds.

Where money was intended to go to water systems and infrastructure at the municipal and provincial levels, instead we find that a lot of these funds have been used for what we could consider quite frivolous and unnecessary things. This should be of concern. For example, funds have been used for things like circus training centres, snow blowers and boccie courts. The Canadian public is angry that we are spending $2 billion at the federal level, $2 billion at the provincial level and another $2 billion at the municipal level, money that we do not have.

There are such projects as $500,000 for a canoe hall of fame in the Prime Minister's riding; $18,000 to improve the sound system in a curling rink; $72,000 to build two outdoor tennis courts; $14.4 million for a building for circus training; $15 million for renovations to Edmonton's hockey rink, and $173 million to build a trade centre in Toronto. When average Canadians think about infrastructure they think about roads, sewers, culverts and things that allow communities to grow and to look after some of the waste problems they have.

The infrastructure program has become quite a joke in many areas. The spending goes on and on yet sewage is still being dumped into lakes and oceans. It is unacceptable that the government did not place some stricter criteria on the spending of moneys in its infrastructure program.

With respect to the amendment made by the Bloc member, all we have here is the Bloc asking for something for nothing again. The Bloc is saying if the government puts money in for a sewage treatment plant or whatever in the province, if the province or the municipality chooses to opt out they simply get the cash instead to do with it as they like. This idea is another example of

the Bloc wanting something for nothing. It defeats the purpose of any kind of infrastructure program funding in the first place.

I ask hon. members in the House to support Motion No. 425 put forward by my colleague from Comox—Alberni.

• (1850)

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I welcome the opportunity to address Motion No. M–425 put forward by the hon. member for Comox—Alberni. The motion states:

> That, in the opinion of this House, the government should support the undertaking of a country–wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities.

The concern I have about the motion is that such a new country–wide program would only duplicate existing efforts of the federal government, provincial governments and territorial governments.

Our government initiated the Canada infrastructure works program which is geared specifically to upgrading infrastructure. I note that sewage treatment was given a high priority in the program. For example, in my riding of Halifax West, one of the most important and costly projects which the program funded was the upgrading of the Mill Cove sewage treatment plant. It is a very important program which will provide better service for the whole Bedford–Sackville area. That is one of the two largest programs in my riding. The other one relates to road building. Both are solid traditional infrastructure programs.

There are other kinds of infrastructure. These days we have to recognize that even things like fibre optics can be important for infrastructure and for the ability of a community or a country to develop its economic base.

I also note that the Reform Party did not support the infrastructure program when it was first introduced.

I remind hon. members that the primary responsibility of implementing standards or guidelines for fresh water, recreational or drinking water quality and sewage treatment discharges rests with provincial and territorial governments and not with the federal government in Ottawa. The role of the federal government is to supply leadership and advice in support of the provincial and territorial governments through the co–operative establishment of national guidelines and appropriate action in the federal domain.

National guidelines exist in this area and are constantly being updated. For example, through federal and provincial co–operation, health based guidelines for drinking water and recreational water quality are developed. In fact, the fifth edition of "The Guidelines for Canadian Drinking Water Quality" was published in May 1993. This document is popular among those who study water quality issues. The document recommends limits for microbiological, chemical and radiological contaminants which have been found in drinking water and are known or suspected to be harmful.

The guidelines are used in all parts of Canada. They are developed in co–operation with the health and environment ministries of the provinces and territories. The guidelines fall under the auspices of the Federal–Provincial Subcommittee on Drinking Water. It is important work which is in progress.

The process began in the 1970s. For this reason among others, Canada's drinking water is one of the safest drinking waters in the world. We have to recognize how fortunate we are in this country to have this supply of safe fresh water.

The impact of standards for sewerage is to protect raw water sources which might be used by Canadians for drinking water or recreational purposes. It is the raw water sources which we are talking about.

The environment is one of the key determinants of population health. We all know these days about the increase in allergies and respiratory illnesses which seem to be traceable to environmental causes. Water quality is an important indicator of our efforts to protect human health in this area.

Of the many environmental factors, the quality of their drinking water is of major concern to Canadians. We know this from a number of public surveys and consultations which the government has undertaken. We also know that Canada is in the enviable position of having great riches of fresh water within its boundaries. I believe that Canada has the greatest resource of fresh water in the world. Approximately 83 countries in the world do not have access to fresh drinking water. It is atrocious. The problem is the greatest in those countries which are highly populated.

Our infrastructure program is a co–operative effort of federal, provincial, territorial and municipal governments. It is already being used to upgrade and improve sewage treatment across the country, just as it is in my riding with the upgrading of the Mill Cove sewage treatment plant. This is in keeping with our red book commitments.

• (1855)

In our present situation, the federal, provincial, territorial and municipal governments are prioritizing the infrastructure works program to benefit all Canadians because we have to look at what is vital to Canadians. Microbiological characteristics of the water are still considered to be vital to public health protection and for that reason guidelines are under continuous scrutiny.

There are microbiological guidelines for coliform and total bacteria in drinking water. In fact, it was recently updated and sections on viruses and protozoa in finished water are being prepared. Microbiological contaminants will not be removed from source water if we adopt this motion. This motion will not reduce trace chemical contaminants in the fresh water supply to our municipal drinking water systems.

It will not help, for example, in the case of Five Island Lake where the lake system is contaminated by a PCB site or actually an orphan site which has a number of toxins which need to be cleaned up. This motion will not address the problem of that water system.

The establishment of a national primary sewage treatment standard will not improve the microbiological qualities of drinking water, nor will it significantly improve fresh water quality.

One of the important things we should be moving toward in this regard and one of the things happening in Halifax, for example, is the work toward the removal of toxins and other contaminants at source. That is a very important step we have to take. It is a matter of taking responsibility for the quality of our water and what we dump into our sinks and into our water system.

We have an obligation to all Canadians to expend our resources in the most efficient manner possible. Every dollar we spend must have the maximum possible health benefit to the Canadian public. Health Canada has a duty to Canadians to address serious health issues affecting water quality. We are concerned with disease–causing organisms and cancer–causing chemicals in our water. We have to be concerned about those things more and more these days.

These are the serious issues of the day that Health Canada is addressing. These are also the issues that will not be touched on by this proposed motion. Since primary sewage treatment will not reduce organic substances found in source water from municipal drinking water and disinfection is essential to maintain a safe drinking water supply that will protect the public health, the establishment of a minimum standard of primary treatment will have little public health benefit with respect to drinking water.

Water quality improvements are already occurring under the Canada infrastructure works program, the Canada–Ontario agreement to clean up the Great Lakes and the Quebec–Canada entente to address issues in the St. Lawrence River basin.

I believe the member for Comox—Alberni had the best of intentions in putting forward this motion. Unfortunately, it does not address the real problems facing Canadians today. An isolated program to spend large sums of money on municipal sewage treatment will cost Canadian taxpayers dearly without doing much to increase public health protection.

Health Canada is working now in partnership with other levels of government to improve water quality across the country. These are the initiatives we must continue to develop to ensure that the quality of our drinking water remains the envy of the world.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, I would like to start by saying I have a particular interest in this topic, because the riding of Anjou—Rivière–des–Prairies, which I have the privilege to represent in this House, happens to have one of the largest waste water treatment plants in Canada.

Officially opened on November 2, 1987, the Montreal Urban Community waste water treatment plant today has an average capacity of more than 23 cubic metres per second, so that between January 1, 1995 and October 15, and this is just an example, the plant processed about 578 million cubic metres of waste water. To give you a better idea of what is involved, this is the equivalent of the volume of the Olympic stadium.

• (1900)

And to give you some idea of the amount of sludge left after this process, imagine a line of 25 tonne trucks all the way from Montreal to Ottawa, in other words, it is a plant operating at full capacity.

I may add that, to carry out these operations, the plant in my riding has a total budget of about $43 million, in fact slightly more, and employs a total of 290 people in treatment operations, maintenance, engineering, mechanical engineering and data processing, in other words, all the people who work in this plant. Generally speaking, waste water treatment plants have become indispensable in our modern cities.

That being said, the Bloc Quebecois takes the position that we support the principle of protecting the environment, but to us it is obvious that the environment is better protected when each government does what it is supposed to do.

That is why the amendment moved by the hon. member for Laurentides is so important, since, if motion M–425 presented by the hon. member for Comox—Alberni were adopted in its present form, without any changes, this would give the Liberal government, the present government, further opportunities to do what it always has done, which is to invade jurisdictions that are not its responsibility. Basically, that is the reasoning behind the motion of the hon. member for Laurentides.

Motion M–425 before the House today asks this House to support the undertaking of a country–wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities, in other words, facilities that will eliminate phosphorus deposits.

Currently, managing the environment is largely a municipal responsibility. Municipalities are responsible for supplying clean water, as we said previously, for sewage treatment and garbage collection and disposal.

Under the Constitution, and this is the crux of the matter, municipalities are administrative units that receive their powers from the provincial legislatures. Consequently, the federal government has no legitimate right to deal directly with municipalities.

Of course, in Quebec we are accustomed to seeing the federal government proceed in this way. I may recall that it was this kind of behaviour by the federal government that caused nearly half the population of Quebec, nearly 50 per cent, to vote yes on October 30, and it will certainly be a little more than 50 per cent next time.

Since this government has shown it has no intention of changing any of the bad habits we have been criticizing for the past 30 years, we can assume that, at the time of the next referendum on Quebec, more and more Quebecers will understand they have only two choices left: become a majority with full control over their destiny or remain a minority, with their interests subjugated to those of the majority to which they will not belong.

To say the least, it is disappointing, but nevertheless, quite incredible, that this motion is being proposed in this House by a member of the Reform Party. We all know our friends in the Reform Party claim to want to decentralize Canada. They see it as the likely solution to our political problems. It might not be constitutional decentralization, but a real decentralization of powers to the provinces. Obviously this bill invades provincial jurisdictions.

I find it unfortunate that the Reform Party is sponsoring this bill. This party, it must be remembered, initially set itself up as the alternative to the impasse Canada found itself in federally after the failure of the Meech Lake Accord and all that followed. The text of the motion before us, however, shows that the more things change, the more they stay the same. They are still talking about more centralization, as if nothing happened in Quebec.

As we know, and as the English language papers pointed out, our Prime Minister succeeded to some extent in lulling Canada into a bit of a stupor over what was actually happening in Quebec.

• (1905)

Events in Quebec woke people up somewhat. Now they are trying to pretend nothing happened and settle everyone down again, while they go on centralizing in Ottawa, as if nothing has changed.

By voting in favour of this motion without the necessary amendments—one of which has been proposed by my colleague for Laurentides—the federalist parties in this House will simply confirm to Quebec voters that the no side did not favour change, despite what they hoped and continue to hope.

That is why my colleague from Laurentides put forward an amendment to this motion that would give all provinces the right to opt out with full financial compensation, so that they themselves could spend the money on the environment and not on anything else.

This amendment would have two advantages among other things. First, from a constitutional point of view, it would allow all levels of government to exercise their powers properly in their respective areas of jurisdiction, contrary to what is now the case. I would like to remind you that the environment is not among the areas of jurisdiction explicitly assigned by the constitution. It has often been said that the environment was not on the agenda when the constitution was drafted, but still. This is a so–called ancillary power deriving from the areas of jurisdiction explicitly mentioned in the Canadian constitution.

Before the mid–1980s, the Quebec government, which has jurisdiction over local and territorial matters, played a key role in assuming most environmental responsibilities. As provided for in the constitution, the federal government was happy to get involved in areas complementary to its jurisdiction, and everything was just fine.

In 1985, the federal government started to become much more involved in environmental matters. It did so mostly by using its spending power and the new powers it had been granted by the courts. This has led to many cases of overlap and duplication. This situation has gotten worse since the election of the present Liberal government, which is trying to further centralize decision making in Ottawa.

If there is one thing that is perfectly clear about the bills that I have seen tabled in this House, it is that almost every bill introduced to amend other bills or to encroach on areas of jurisdiction that may previously not have been clearly defined gives ever more authority to the ministers.

At present, there is a great deal of duplication and overlap in federal and provincial environmental regulations. Therefore, private sector enterprises often have to spend time, energy and money on gathering information on a large number of programs, answering inquiries from both levels of government, attending numerous committee meetings, preparing for inspections that are often conducted by both levels, meeting requirements that are often different depending on the level of government involved, and the list goes on ad infinitum.

For instance, there are currently eight federal regulations overlapping existing Quebec regulations on the same subject. Yet, they keep wanting to make more regulations and centralizing more and more. Cases in point are the storage of PCB material regulations and pulp and paper effluent regulations.

There are also environmental benefits, since appropriate solutions to problems to be dealt with locally will be easier to find. You will no doubt agree, Mr. Speaker, that local authorities are in a better position than anyone else to find solutions suited to the particular circumstances of their respective communities. As far as the environment is concerned, government's ability to understand local problems and challenges depends on how far removed it is from the field. The further it is removed, the less it is able to find practical solutions likely to gain acceptance and generate co–operation within local communities. That is the spirit behind the amendment moved by my hon. colleague for Laurentides, which we support.

[*English*]

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I am here today on behalf of the government to address Motion No. M–425 put forward by the member for Comox–Alberni. It calls for a country–wide program of improving the treatment of municipal sewage to a minimum standard or at least that of primary treatment facilities.

A basic weakness of the motion is that it proposes to solve the problem of municipal waste water through the use of a specific directed technology. Since when have Reform Party members believed in imposing the use for every province of a uniform method when they do not even believe in the consistent application of a basic health care principle?

• (1910)

What we should be concerned about is not the process used to effect treatment of municipal waste water, but the quality of the final product and its subsequent short and long term effects on humans and the ecosystem. The shortsightedness of this bill is typical of many Reform motions: immediate, quick fixes that show the lack of experience that comes from not really understanding how other jurisdictions of government work, how the municipal political mind works.

While the Canadian Federation of Mayors has been consistently requesting an infrastructure program, the first government to take the request seriously is the Liberal government. A minister was put in charge of the program who has been a well respected, long serving mayor and he tailored the program to suit the unique and individual needs of all municipalities, municipalities that are fiercely protective of their jurisdictions.

Under the federal Fisheries Act, for example, no person including a municipality, is allowed to discharge water where fish are found or treated water which contains any substance that is harmful to fish. The focus should not be on what technology is used to treat municipal water waste, including domestic sewage, but on the final quality of the water.

As a technology for treating municipal waste water, primary treatment is a physical, mechanical process, very simplistic at best. It can remove material like sand, grit, stones, twigs and larger objects like wood and plastic. It can settle out the heavy organics of domestic sewage, but that is about all primary treatment can achieve.

A fundamental concern related to municipal waste water is how much oxygen demanding matter it contains. Oxygen demanding matter takes up oxygen from its environment to decompose. A primary treatment system, if efficiently designed and operated, can only reduce up to 40 per cent of the oxygen demanding substances found in municipal waste water. The remaining 60 per cent will be discharged into the system.

It is important to remove as much organic matter as possible that requires oxygen to decompose from municipal waste water so it does not consume oxygen that fish need to thrive. Such matter does not then demand heavy chlorination and subsequent disinfection processes.

Primary treatment cannot address concerns related to toxins, including removal of heavy metals that are commonly found in Canadian municipalities.

A country–wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities will not in all cases adequately conserve and protect the environment. More important, in the jurisdiction of water treatment, municipalities will, en masse, cry foul if the federal government presumes to tell them how to achieve a technology that many of them have to this date perfected in an extremely economical manner.

I would not like to be the federal politician who attempts to tell Mayor Hazel McCallion of Mississauga, a mayor well known for her strength of character, how to treat her water system rather than what minimal standards should be maintained coming out of Mississauga. In fact, when the current infrastructure program was designed and offered to Mississauga, the city council did not request money for water treatment. The basic structures were in such good shape that Mississauga requested a one–third portion contribution for a living arts centre which created, as an aside, 950 jobs.

The standard of water in Mississauga is absolutely one of the highest in the country. No government has ever told the city how to do this.

Improving the treatment of municipal sewage is a commendable objective, but it does not fully address the issue of conservation and effective management of Canada's water sources. What is urgently needed at the municipal level are sewer use bylaws to restrict access to the sewer systems of substances not amenable to treatment. Also municipalities should charge water

users the full and true cost of both supplying drinkable, usable water and treating waste water after its use, as is done in Mississauga. At this very time water charges in Mississauga are double, water amount going in and water amount going out.

Municipal water in Canada has traditionally been underpriced in comparison to other utilities or essential services. Many years of water prices set at artificially low levels by municipalities have not allowed Canadian communities to accumulate adequate reserve funds for renovation and upgrading of water infrastructure. Also low water prices have offered no incentive for technological advance. Thus, the municipal water industry has been left with old technologies, inefficient plants and very low levels of innovation.

A country–wide program to improve sewage treatment to at least the level of primary treatment would still leave all current pricing problems intact and without resolution.

• (1915)

According to 1991 statistics, which are the most recent figures available, the level of revenues collected by Canadian municipalities for water use and sewerage charges is in the order of $3.3 billion. With the probable exception of property taxes, revenues from water use are the largest source of income for municipal governments. At current prices, for many Canadian municipalities this revenue source is still insufficient for municipalities to operate and maintain their water infrastructures.

What are Canadians to do to deal with this apparent shortfall? Surprisingly, researchers have found that as the price of water increases, the demand decreases. This is not witchcraft. We have all seen this in the pricing of many commodities.

In accordance with the polluter pays principle, municipal water customers should pay for waste water treatment according to their level of water use. The federal government cannot be big brother and pay for all minimal water treatment across the country. Treatment according to the level of water use is the most important product of proper water conservation.

Similarly, industries that use municipal sewers and treatment as their primary or only method of waste water abatement should pay for the extra stress they place on water treatment plants. Perhaps municipalities should even pay their provinces in proportion to the level of contamination of their effluent for the right to deposit their waste water in lakes, rivers and other communal waterways.

Cheap water in Canada has led to unnecessarily high water usage. Higher water usage has led municipalities to install water systems that are larger than would be needed if realistic pricing policies were implemented by Canadian communities to bring out true water conservation.

I believe water conservation is the real way of the future. Pricing based on quantity of water used provides each user with the incentive to conserve water. This leads to cost savings by water consumers as well as municipalities themselves in terms of their capital expenditures and maintenance costs of waste water treatment plants. It also encourages less reliance on unpredictable purification chemicals, which in the future may cause other problems.

Let me emphasize that there is wastage by the consumer, who has no incentive, financial or otherwise, to conserve water supplies. In addition, public utilities find it cheaper to process and pump more clean water through the system than to find and repair expensive leaks. In some areas of Canada, system leakage accounts for 40 per cent of total pumping. Country–wide primary treatment for municipal sewage, as proposed by the hon. member for Comox—Alberni, will do nothing to correct that.

If I may call the attention of the hon. members to the 1987 federal water policy, the concept of full cost pricing, which includes extra sewer charges for industrial waste and the promotion of universal metering, is a cornerstone of that document. The infrastructure related components of the federal water policy accord well with the policies outlined in *Creating Opportunity: The Liberal Plan for Canada.*

The 1987 federal water policy is based on a user pay principle. This means users should be responsible for funding a particular service in approximate proportion to their consumption. User pay wherever possible is an appropriate principle for our times and one this government endorses.

To monitor the progress of implementation of the 1987 federal water policy, Environment Canada undertook in 1991 a survey of water piping practices among Canadian municipalities of at least 1,000 inhabitants or more. The results were somewhat of a disappointment. The Government of Canada had spent the four years since the release of the 1987 federal water policy promoting the benefits of full cost pricing as a means of water conservation and adequate financing of water infrastructure programs. Environment Canada found, however, that half of the surveyed municipalities were still charging a flat rate for water use.

Under such circumstances there is no incentive for water consumers to lower their consumption. In addition, water consumers often have no idea of how much water they are actually using as there is no meter attached to their facility or home to court and compile the number of cubic metres of water used.

In summary, a country–wide program with the sole goal of improving municipal sewage treatment to the minimum level of primary treatment would not solve Canada's problems in the area of municipal waste water treatment. Minimal chemical purification and ultimately a serious concern for conservation of this valuable resource is the true direction this government should be taking. Therefore I will not be supporting this very shortsighted bill at this time.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I would like to wager that if Motion No. M–425 came from the other side of the House it would get a different hearing in the House.

• (1920)

I cannot imagine anyone concerned about clean water and health issues saying that this bill will not look after all the problems of Canada in terms of our water supply. Who says it would? Motion No. M-425 simply calls for raising the standard in Canada to a minimal standard, a standard that would have solid settling, chlorination and discharge of sewage in a much different manner from what we have today. Is it simplistic to try to raise the standard of water treatment in Canada? Where I come from it is not.

I would like to tell a little story relating to water quality. I am a fisherman. I enjoy sport fishing. The river that flows through the community near me is world class as a sport fishing river, the Bow River. In my youth I fished in that river and was unable to eat the fish. They were beautiful rainbow trout, wonderful to catch. A 24–inch rainbow would take me 20 minutes to land, but I released every one. They were oily downstream of Calgary. There was a huge amount of waste going into the Bow River.

I have a cousin in England who is a very keen fisherman. He came all the way from England to fish in the Bow River with me. He asked me whether I expected he would catch a wild trout in this beautiful stretch of water. I pretty well guaranteed him that he would. I told him what time of year to come. I said that I had some experience there and had the opportunity to just about guarantee him that unless there was a change in weather, a tremendous amount of extra mud in the water, he would be guaranteed a fish.

He did catch the first wild rainbow trout of his life. I will never forget him holding that beautiful fish out of the water and asking for a picture to be taken, then saying to me, "I must release this fish, it will be polluted". I was able to say to him, "No, Derrick, that fish today is edible". Over the 25 years since I had been fishing this river Calgary had cleaned up its act to the point where this beautiful fish could be eaten. He said, "I am a conservationist, I think I will release it anyway". And he did.

Does the treatment of effluent downstream of a big city make any difference? I believe it does.

I heard all kinds of praise for the infrastructure program from members opposite, an infrastructure program that I flatly think is an abject failure. To borrow $6 billion and mortgage the future of my children and my grandchildren to provide short term jobs in Canada is fundamentally flawed.

I will give one example of how badly the infrastructure program failed. This is a municipality I am responsible for in my own constituency.

Ms. Cohen: Are you going to make the announcement?

Mr. Hill (Macleod): You bet. I am making that announcement here in front of everybody in Canada.

The infrastructure program was a pronounced failure in a constituency at home. What did the municipality do for infrastructure in my own constituency? It bought a grader, a Yankee–built grader. It shipped it home by a U.S. trucker. It paid for it with borrowed dollars. It produced one job, just one job. The infrastructure program in this municipality produced one job. Is that an advantage? That is an advantage for whom? It is an advantage for a U.S. manufacturer with a grader. The infrastructure program is an abject failure.

• (1925)

This bill will simply raise the standard in Canada. Will it solve all the problems in Canada? It will not. If this bill were coming from the other side of the House, there would be effusive praise for such a bill. Since it is not, I am convinced it will not gain support.

I ask members opposite, how can they argue against cleaner water in Canada? How can they argue with that?

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I am delighted to speak to Motion No. M–425 because I want my Reform colleagues to know that I support it wholeheartedly. I am delighted indeed that the Reform Party has brought it forward.

I regret that my colleague from Mississauga West and I find ourselves on different sides of this debate. The reason I support this bill so wholeheartedly is that not only does it address a very serious problem and address it in a very responsible way, but it also addresses the problem of federalism versus regionalism. I find to my absolute delight that the Reform Party has put a motion on the floor that actually argues for a strong central government rather than regionalism, as that party tends to support generally.

I am very aware of the sewage problem that occurs in Victoria, where sewage treatment consists of building a longer pipe into the ocean so that the effluent does not come back to the beaches of Victoria. I am also aware that the United Kingdom is very angry right now because constantly on the beaches of the Hebrides, the Orkneys and the northern coast of Scotland are effluent, plastic materials and garbage that can be identified as coming from Canada. This is absolutely an intolerable situation.

Why can we not rely on municipalities to spend the money to give the kinds of treatment facilities that are demanded by this motion? The answer is that municipalities are driven by local interests. Often they have priorities that are very local and are unwilling to support things that actually pertain to society at large and to our global environment. In other words, if it is not in one's own local backyard then it is easier to spend elsewhere.

We have a situation where regional interests cannot look after the problem and we must look to a strong federal government to provide the money and the leadership to attack this problem. I regret absolutely that we do not have in the Constitution some provision that says the federal government would have the power to prevent Victoria from simply dumping sewage into the sea.

Not only is this motion well taken but it is ironic because it shows that the third party—and I have great admiration for the third party on certain issues—supports the kind of concept that we Liberals have when we see a strong central government showing leadership in many ways.

I have to add that implicit in this motion is the suggestion that the federal government should have the necessary funds to provide minimum sewage treatment in various municipalities across the land.

In conclusion, I do not support the Bloc amendment because that is a regional amendment, but I want the Reform Party to know, especially the member for Comox—Alberni, this is a very fine motion. I congratulate them on bringing it before the House.

The Acting Speaker (Mr. Kilger): The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 98, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

• (1930)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

DEPARTMENT OF NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise pursuant to Standing Order 38 on behalf of the constituents of Okanagan—Similkameen—Merritt on an issue of national importance.

On October 3, I asked the Minister of National Defence a question pertaining to Colonel Kenward who ordered the destruction of video tape evidence of an airborne regiment hazing video. The minister's response was, to say the least, insufficient.

The video tapes that were ordered destroyed impeded the investigation of the military police. Lieutenant–Colonel Kenward, who was subsequently promoted to full colonel by the chief of the defence staff despite the minister's own reservations, ordered the destruction of the video tapes. It was later revealed that three copies of the video tape existed.

This does not justify the actions of Lieutenant–Colonel Kenward. There will never be any way of knowing whether the three copies match the one destroyed by Lieutenant–Colonel Kenward's order.

This case is an example of the serious problems with the system of justice at the Department of National Defence. This case may in fact be providing details of a miscarriage of justice within the senior command of the Department of National Defence.

The Minister of National Defence notified me in his response on October 3 that the chief of defence staff, General John de Chastelain, would hold a press conference on the issue to clear the air. I personally attended that press conference and I would like to say that it did not clear the air. It muddied the waters further.

The CDS presented the official side of the story with a documented audit trail detailing how Lieutenant–Colonel Kenward was promoted to full colonel. What became clear from these documents was that the chief of defence staff had intervened on behalf of Lieutenant–Colonel Kenward to ensure his promotion.

Documents he released showed that he wrote to the Canadian Armed Forces judge advocate general on behalf of Lieutenant–Colonel Kenward. The correspondence included quotes from Kenward himself denying that he had intended any wrongdoing. The judge advocate general, after considering this counsel from his superior, the chief of defence staff, cleared Kenward's name and cleared the way for Kenward's promotion.

This type of shenanigans underlines the culture of cover–up at the highest level of the Department of National Defence. Kenward's promotion to full colonel was secured despite the concerns of the military police and the Minister of National Defence.

The minister has publicly admitted that he expressed his concerns regarding the promotion to the chief of defence staff and the chief of defence staff refused to heed them. Clearly the minister has no confidence in the CDS and the CDS has little respect for the minister's judgment.

This case is indicative of the problems with our military justice system. It is difficult to believe the military police had their investigation thwarted by the chief of defence staff and the judge advocate general.

I believe that justice was not served. Canadians still want the Minister of National Defence to clarify his position. When did the Minister of National Defence learn that Colonel Kenward had destroyed video tape evidence? Was it before or after the promotion? Why did he have reservations about the promotion of Kenward to full colonel?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this all relates to Somalia and the airborne. The hon. member is clearly misguided in his attempts to discredit the Minister of National Defence and the government.

The Reform Party platform of using specious arguments and half truths for partisan gain has done nothing to help Canada deal with the issue at hand.

By contrast, the Minister of National Defence and the government have acted forthrightly and effectively. I believe this is what Canadians are seeing and what they are asking for. They are rejecting the disparaging arguments being put forth by the Reform Party.

Let us look at the facts. It was this government that called for an inquiry. More specifically, it was this member as opposition defence critic who asked for the inquiry two and a half years ago, not the Reform Party. It was this government that ensured the inquiry would be public. It was this government that made the commitment to make Canadian forces members available to the commission when they were called upon to testify. It was this government that encouraged people with any information that may be of interest to the commission to go forward to the inquiry. It was this government that ensured the Somali inquiry was provided with complete and accurate information and that relevant documents were made available to the commission.

• (1935)

DND and the Canadian forces have and will continue to co–operate fully with the commission that has been established. Not all our actions have been easy. The public rightfully demanded that the government address this serious issue in an expedient manner, but this had to be tempered with prudence. Where others may have attempted to score quick political points, we stayed the course waiting for the Westray mine decision so that justice would not later be undone as a result of a legal technicality.

These actions point toward leadership, integrity and a willingness to get things done. There is nothing to sustain the utterly fallacious and ultimately destructive arguments being put forward by the Reform Party. We will certainly not be goaded into taking ill advice and precipitous action. We are monitoring the commission proceedings. Canadians can rest assured that appropriate actions will be initiated when and where they are warranted.

Now is the time to let the commission do its work. We look forward to hearing the recommendations of the commission. In summary, the Canadian forces have a long and proud heritage that we are not prepared to discard. I suggest that the Reform Party share this sentiment.

CUBA

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, some time ago I had occasion to ask the minister about the issue of the Helms–Burton bill dealing with an embargo against goods from Cuba. I should like to introduce my question this evening by reminding the representative of the ministry about some of the facts of the bill.

We in Canada share the interest of American legislators and Americans generally in seeing Cuba begin to respect human rights and to open up its economy to forces from outside so that it has a liberal, open economy for the benefit of all Cuban citizens. What we are talking about here is the method whereby this change may be obtained.

We believe, it seems to me in our government, in a form of open trading whereby we can liberalize trade relationships by having relations with one another. The United States, for some reason not difficult to understand because it is rooted in U.S. domestic politics, has chosen in respect of Cuba an embargo that flies in the face of its policies with respect to other countries, which seeks to penalize the Cuban government and the Cuban people for the fact that they are unwilling to conform to U.S. standards and practices.

We do not deny the United States has the right to embargo Cuba if that is what its domestic policies call for it to do. What we object to, what I will ask for further information on and what I asked in the question I earlier posed to the minister was what we were doing in Canada to ensure the measures being adopted by the American Congress do not proceed in a way that would violate international law, violate international obligations of the United States to Canada and violate our rights to conduct our relationships with Cuba and the Cuban people in a way that we can ensure Canadian policies and Canadian law are respected.

The bill on which I asked the question, known colloquially as the Helms–Burton bill, has in it several items that are very problematic to us as Canadians. They prohibit U.S. persons from extending financing to businesses that traffic in property confiscated by the Cuban government. A U.S. person is defined in the bill in such a way that it could extend to subsidiaries in Canada. It denies entry into the United States of persons, individuals or shareholders of corporations who traffic in U.S. property. It gives to the United States courts the jurisdiction to decide

compensation claims for property confiscated by any foreign government.

In all respects we have serious problems with these propositions. It represents in many ways a secondary boycott which the United States has said in the past it totally disapproves of in respect of the Arab boycott of Israel. It represents extraterritorial measures against Canadian corporations carrying on lawful business in this country and with Cuba. It gives to the United States courts a jurisdiction that frankly would introduce extraordinarily difficult measures in respect of dealing with the United States in United States courts.

These measures reflect a view of the United States Congress that is willing to take measures against the interests of the United States in many respects, against international law and against its international obligations to Canada and other nations. As such, it is a dangerous precedent because it reflects a sense of the United States power which says it is above the rules it has set and in which all of us participate.

• (1940)

I would be anxious to know what measures the Government of Canada can take to tell the U.S. Congress what we can do to protect ourselves. How can we use the Extraterritorial Measures Act which we already have? How can we respond to Congress to let the U.S. know that we in this country intend to pursue our rightful place in the international community in a way that respects our interests and our proper commercial relationships with a friendly country?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member for Rosedale and the chairman of the parliamentary Standing Committee on Foreign Affairs and International Trade will agree with me that Canada and the U.S. share common objectives of democracy, human rights and market oriented reforms in Cuba. However, we differ on the best way to achieve such goals. Canada favours engagement and dialogue.

Currently there is legislation before the U.S. Congress which would extend the U.S. embargo against Cuba. When the legislation was first introduced in February, the Canadian government examined it and found provisions which could be harmful to Canadian interests. We made our concerns known to both the administration and Congress. As well, businesses and other groups on both sides of the border have opposed the legislation. Many other countries have also expressed concerns over the legislation.

Canada's key concerns related to proposals that would restrict imports of sugar and sugar–containing products from countries which import sugar from Cuba and that would allow U.S. citizens to make claims in U.S. courts against foreign companies investing in property expropriated by the Cuban government. This approach to claims would be contrary to generally accepted principles of international law and could have repercussions on international investments beyond Cuba. The proposals would restrict entry into the U.S. of officers of certain foreign companies which have business dealings with Cuba.

What is the current situation? Different versions of the bills have been passed by the House and the Senate and these now have to be reconciled in a conference committee. Canadian efforts were successful in having the proposed sugar restrictions removed from both versions of the bills.

Our other key concerns have been partly addressed. While the version of the bill passed by the Senate removes the provisions on investment claims and temporary entry, these remain in the House version of the legislation. Canada is continuing to press for the controversial provisions dropped from the version passed by the Senate to not be reintroduced in any final version of the legislation.

It is not clear when the conference committee will present a reconciled version of the legislation or if the common bill would be able to muster enough votes to pass both the House and the Senate. If passed, the final stage would be to send the bill to the President for his consideration. As the hon. member knows, the U.S. administration shares many of Canada's concerns. The U.S. Secretary of State has told Congress that he will recommend that President Clinton veto the bill if an unacceptable version is passed. Should the objectionable provisions be reinserted, Canada would urge a presidential veto of the bill.

I compliment the hon. member. I know he has many connections, communications and dealings with colleagues in the United States. He has also been playing a very important role in helping us to keep a Canadian foreign policy, while letting the United States keep its foreign policy in relation to Cuba.

NUCLEAR WEAPONS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, on November 8 I asked the Parliamentary Secretary to the Minister of Foreign Affairs why Canada withdrew its sponsorship of UN resolution L–3 which seeks a stop to nuclear weapons tests.

Nuclear tests are presently being carried out by the French government and are being planned by the Government of China. Both governments are contravening the spirit of the extended nuclear non–proliferation treaty and negotiations toward a comprehensive nuclear test ban treaty.

It might be recalled that on September 5 the foreign affairs minister issued a news release in which he deplored the tests. He stated: "Canada's policy on testing is clear: no testing by any nuclear weapons state and speedy progress toward concluding a comprehensive test ban treaty". In keeping with this policy, on October 31, Canada and the United Nations chose to co–sponsor UN resolution L–3 which seeks a stop to nuclear weapons tests.

• (1945)

Suddenly, on November 7 Canada and the United Nations decided to withdraw its co–sponsorship. The reason? It would appear that the sponsorship was a mistake. Whose mistake is the question.

The next day, November 8, the Prime Minister from New Zealand re–emphasized Canada's position stating that Canada deplores the actions of the French government and that Canada hopes the tests will stop rapidly.

Today, on November 21, the question is: How can we deplore nuclear testing at the level of the Minister of Foreign Affairs and the Prime Minister, except to co–sponsor an important UN resolution against testing and then a week later withdraw our co–sponsorship of a resolution that is not only consistent with the views of government leaders, but also consistent with our stated unequivocal policy on nuclear weapons testing?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I welcome the opportunity to respond to the hon. member for Davenport on the subject of Canada's position on nuclear testing.

I can assure the hon. member that today, November 21, Canada's position on nuclear testing rests on a bedrock of Canadian tradition in support of a comprehensive test ban treaty. On this issue, as the hon. member said, our position has been consistent and clear. It remains unchanged to this day: no testing by any nuclear weapons state.

The government has repeatedly stated Canada's deep commitment to the early conclusion of a comprehensive test ban treaty. Such a treaty should prohibit all nuclear testing regardless of size, in all environments for all time. For Canada, this remains our most important and immediate arms control and disarmament priority.

Last week, in the first committee of the United Nations General Assembly, Canada voted in favour of a resolution strongly deploring nuclear testing. Canada was also a lead co–sponsor of the resolution which calls for the early completion of an effective CTBT. Together these resolutions represent Canada's firm position on testing.

Canada played a leading role in securing the indefinite extension of the treaty on the non–proliferation of nuclear weapons last May. The indefinite extension of the NPT provides the foundation for real disarmament.

Among the decisions agreed to by all the countries of the NPT review conference was the need to complete a comprehensive nuclear test ban treaty no later than 1996.

Canadian actions since then have been calibrated to ensure that everything possible is done to meet the commitments taken in May and to reinforce the integrity of the non–proliferation treaty.

Canada's active role in the CTBT negotiations in Geneva and our efforts to develop the necessary political support for the early conclusion of the CTBT within multilateral fora such as the OAS and the recent Commonwealth heads of government meeting have been buttressed by the welcomed announcements made by the U.S.A., U.K. and France that they support a zero threshold comprehensive test ban treaty. A zero threshold CTBT would ban all tests for all time.

We believe these public affirmations by three of the five nuclear weapon states will greatly assist the negotiations in reaching an early and successful conclusion to the CTBT.

In conclusion, let me repeat yet again that Canada's position on nuclear testing is clear and firm. We oppose all testing and remain committed to a CTBT in 1996.

CANADIAN WHEAT BOARD

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, one of the most important issues facing prairie people today is the future of the Canadian Wheat Board. The vast majority of prairie producers support the Canadian Wheat Board yet they feel that its future is being threatened. There are many reasons for this, not the least of which has been the federal minister of agriculture's complete reluctance to stand up for the board whenever it needed defending.

The latest threat, however, is the continued freelancing of wheat into the United States by individuals who seem to think they can ignore the law to further their own goals.

• (1950)

There have been numerous organized attempts to cross the border from Canada into the United States to sell wheat. These are strictly prohibited by Canadian law. In doing so these freelancers are exacerbating trade tensions between Canada and the United States, are risking the complete shutdown of agricultural trade between Canada and the United States, or at the very least are risking the imposition of yet another cap on the sales that currently occur under the jurisdiction of the Canadian Wheat Board.

Things are not getting any better out there. Canada has enjoyed some very good wheat sales into the United States. Millers and pasta makers want our high quality durum and the Canadian Wheat Board has been taking full advantage of that in promoting the high quality Canadian product throughout the U.S. marketplace.

However, U.S. farmers do not like this. There is a lot of political and public pressure on U.S. congressmen and senators to stop the cross–border traffic in wheat. Canada could very well find itself squaring off with the United States in the near future, not just across our border, but in the world marketplace as well. This is looking more and more likely as the new U.S. farm bill comes into being.

The Americans are looking at maintaining a dominant role in the world marketplace. They are looking to increase their grain production. They are expecting to leave their export enhancement program in place. When you add this into the pot with the negative feeling toward those north of the border, that could certainly be bad news for Canada.

In maintaining friendly trading relations with the United States, the Canadian Wheat Board has successfully sold tonnes of wheat into the United States over the years. The wheat has moved quietly and quickly into the U.S. market and Canadian farmers who respect the board have been rewarded with increased payments from the board.

In supporting the board, Saskatchewan's minister of agriculture, Andy Renaud, said: "The Canadian Wheat Board can move grain into the U.S. for the benefit of all prairie farmers, not just a few, and do it in a way that minimizes as much as possible the threat of new trade restrictions".

He also said that the Saskatchewan government supports strong action to stop illegal sales to ensure that the U.S. market remains open for all farmers.

The Americans, and in particular the American multi–national grain corporations, realize the strength of the board and have been campaigning to force us to get rid of it. The board has been so successful that the U.S. feels threatened by it. Now some Canadian farmers are joining forces with these Americans to try to kill the board.

They falsely believe that without the board they will have better success at marketing their own grains in the United States. The board is defending itself in the marketplace but it needs help from Canada's minister of agriculture. Good words are one thing but actions are more important.

At a recent grain industry general meeting the minister said that those who cross the border with grain for sale are law breakers and that those who violate the law are harming their cause to get changes to the Canadian Wheat Board Act.

In response I urge the minister not to make changes to the Canadian Wheat Board Act. And one more time I ask him, is he prepared to take whatever action is necessary to defend single desk selling and enforce the rules and regulations as they have been set out in Canadian law?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the hon. member for his question and his comments.

I say at the outset that many if not all my constituents are going to be surprised to see me stand up and answer a question on prairie farmers and the Canadian Wheat Board, but as the hon. member knows the duties of a parliamentary secretary are many and varied, particularly during the adjournment debate.

The Canadian Wheat Board Act and Canadian Wheat Board regulations, as the hon. member knows, state that any export of wheat and barley requires an export licence issued by the Canadian Wheat Board. The law is very clear on this point.

The Customs Act administered by Revenue Canada is applied in support of the Canadian Wheat Board program. It requires exporters shipping wheat and barley to the United States to first obtain an export licence. It is very clear.

Proceeds from the sales of the unauthorized exports are not deposited into the Canadian Wheat Board pooling accounts. Therefore, when this occurs producers who comply with the wheat board export program receive no benefit and are hurt by the resultant loss of the potential export opportunities engendered by the legal freelancers, as pointed out by the hon. member.

Within the democratic system of government in Canada there are other ways to work for change without deliberately engaging in unauthorized and illegal activities which may create unnecessary problems with the management of our international trade relations.

The western grain marketing panel process was put in place so that grain farmers, industry and other shareholders could have an opportunity to participate in a number of grassroots fora to discuss the current grain marketing system including the Canadian Wheat Board.

On behalf of the minister of agriculture, I would advise those who are dissatisfied with the current marketing system to participate fully in the western grain marketing panel and its process to improve the system and to do what the hon. member is suggesting is a more orderly method of conducting business.

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.

(The House adjourned at 7.56 p.m.)

HOUSE OF COMMONS

Wednesday, November 22, 1995

The House met at 2 p.m.

Prayers

The Speaker: We are beginning a new tradition today which has been decided in committee and by order of the House. I shall now recognize the hon. member for Beaver River to lead the House in the singing of the national anthem.

[Editor's Note: Whereupon members sang the national anthem.]

STATEMENTS BY MEMBERS

[*English*]

THE LATE GARY HERREMA

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it is with sorrow that I report on the passing on Monday of Gary Herrema, chair of the regional municipality of Durham.

Mr. Herrema, who was a long time resident and farm operator in Uxbridge, was first elected in 1969 as councillor for what was then Scott township. As a testament to his leadership abilities, Gary Herrema became Durham regional chair in 1980 and remained in that position until his death just this last Monday.

Durham, for the edification of the House, represents 425,000 people.

I am proud to note that not only was Gary Herrema a Liberal candidate in the 1984 federal election, he was also an active and long time supporter of his community, of Parliament and of Canada.

Today Durham residents and their fellow Canadians are saddened by the loss of Gary Herrema. On their behalf, I convey my heartfelt sympathy to his wife, Helen, and to his family.

* * *

GUN CONTROL

Mr. Gary Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the senators held hearings in western Canada on Bill C–68, giving many Canadians the only chance they had to be heard.

The senators heard testimony from retired town councillor Jim Barker in Dauphin, Manitoba. He estimated that by the year 2003 the town of Dauphin will have to hire two more RCMP constables and two police clerks to handle the additional workload to implement the Liberal government's flawed firearm registration scheme.

Barker testified: "The ratepayers of this town will have to budget a minimum expenditure increase of $200,000 per year. It is interesting to note that if these costs are at or near average, then the total cost to the lower levels of government in Canada for firearms registration would be around $540 million per year".

This new evidence had never been heard by Parliament before and justified the senators' decision to take their hearings on the road. Why is it that senators in Ontario, Quebec and Atlantic Canada did not give their citizens the same opportunity to be heard as voters in the west?

* * *

HIGHWAY 104

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, thanks to the hon. member of the Conservative Party from Sherbrooke who wrote to the auditor general, the death valley diversion in Nova Scotia became a national issue.

In turn, the auditor general is very critical of the government for diverting $26 million from a federal–provincial agreement for work on a dangerous stretch of the Trans–Canada Highway to a tourist trail in the riding of the minister of public works.

The auditor general noted in his report that "the agreement assigns a duty of project review and approval but in this case, such a review was pre–empted by ministers who presented the matter as a fait accompli to officials who, in the circumstances, could only implement the decision".

Although they were forced to reverse their decision in August, upgrades to death valley will still be paid for by toll fees.

The public works minister, agreeing with the leader of the third party, once said the province was showing real leadership by making people pay user fees for their highways. The people of Nova Scotia and my party certainly do not feel that way.

S. O. 31

HUMAN RIGHTS

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, Canada has a long tradition of active involvement within the UN field of human rights. This tradition started with the late John Humphrey, one of the architects of the international bill of rights and the first director of the UN human rights division.

Canada continues to play a prominent role in promoting universal human rights and in strengthening international human rights mechanisms.

Since the establishment of the UN High Commissioner for Human Rights in 1993, Canada has sought to integrate the activities of the high commissioner and other human rights institutions into the UN's political, security and developmental activities and into the early warning and preventive work of the organization. This is an indication of Canada's overall emphasis on addressing root causes of instability which is consistent with the vision UN Secretary–General Boutros Boutros–Ghali outlined in his "Agenda for Peace".

As we welcome the UN Secretary–General to our nation's capital, let us reaffirm Canada's commitment to promote human rights in the community of nations and to strengthen the United Nations.

* * *

LINCOLN AND WELLAND REGIMENT

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, members of the Lincoln and Welland Regiment from St. Catharines have recently received two additional and long overdue battle honours from World War II.

The medals are in honour of the exceptional conduct and courage of the members of the Lincoln and Welland Regiment while part of the 10th Infantry Brigade of the Canadian 4th Armoured Division during battles in Kustan Canal and Bad–Zwisch, Germany in April 1945.

Colonel Don Muir, a major in command of a rifle battalion during both battles, noted that fighting was very intense in those last weeks of the war. Roy Adams, the regiment's president and also a veteran of those battles noted that his only regret is that many of the men who helped them earn these honours have passed away.

I would just like to say how proud I am and all Canadians are of our veterans. Their dedication, discipline and sacrifice made an allied victory possible in the second world war.

Congratulations to the Lincoln and Welland Regiment on this well earned, overdue honour.

AGRICULTURE

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, western Canadian farmers are frustrated by the manner in which the WGTA payout is being handled. The lack of direction in providing formulas for sharing of the payment by landowner and tenant producer has caused confusion, tension and in many cases bitterness at the farm gate. Farmers who have financial agreements with the Farm Credit Corporation are particularly upset with its handling of the WGTA payout.

The minister instructed the FCC in March 1995 to pass along the benefit to producers. That benefit has mysteriously shrunk over the last eight months to a whopping 25 per cent of the benefit. Their questionable rationale was that holding back 75 per cent of the benefit would result in lower lease and sale agreements. The fact is the Farm Credit Corporation lease agreements and buyback asking prices have actually increased by as much as 20 per cent.

• (1405)

Farmers are demanding that the agriculture minister and the Farm Credit Corporation honour their original commitment to the producers of prairie grain.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, the Prime Minister's thinly disguised threats to the CBC, which he accuses of not fulfilling its mandate as a promoter of Canadian unity, are an attack on the freedom of the press.

It is therefore not surprising that the Fédération professionnelle des journalistes du Québec has launched a petition aimed at preserving the independence of this crown corporation. The FPJQ feels that the Prime Minister has questioned the corporation's independence from the government.

For the Bloc members, there is nothing ambiguous about the message between the lines of what has been said by the Prime Minister, the Deputy Prime Minister and the minister of fisheries: the CBC is vulnerable to government pressure.

Now one wonders whether the scope of the budget cuts is not a form of reprisal by the Prime Minister, who has never accepted the change in the CBC's mandate and sees it as nothing more than a propaganda organ.

* * *

LEADER OF THE BLOC QUEBECOIS

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, since the election of the Parti Quebecois in September 1994, the people of Quebec have been held hostage by a handful of power hungry politicians with nothing better to do than to govern by referendum.

Rather than take advantage of his first press conference to differentiate himself from his predecessor, the leader of the Bloc chose to follow in his footsteps, announcing right off the bat his intention to sign no new constitutional agreement with Canada and to prepare for another referendum on Quebec separation.

My constituents in Saint–Denis need jobs and a stronger guarantee of security for themselves and their children. And it is certainly not by scaring away investors, as the PQ has done for the past year or more, that the leader of the Bloc will manage to reduce unemployment in Quebec.

The people have waited too long. It is high time now for the Parti Quebecois to finally put "their hearts in their work".

* * *

[*English*]

REFORM PARTY OF CANADA

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, in the 52 ridings the Reformers won, Reformers outspent Liberal candidates by almost half a million dollars.

That is right. The party that likes to point fingers at others about spending spent over $2.2 million to win its seats. Now, two years after having won those seats, Reformers have told the media they are going to sit in them less. That is right. They spent almost $43,000 a seat and they have said that Ottawa costs too much and they do not like it here.

We have lots of expensive seats on the Reform side but no one wants to fill them. Perhaps it is time for us to have a seat sale.

* * *

POLITICAL PARTY AGENDAS

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I rise in the House today to express serious concerns.

In this House there is a separatist party that is quite open about its desire to break up Canada. We may not like its beliefs but its mandate is clear.

However, we have another party, the Reform Party, that does not like social programs, does not like our health care program, does not like the Canada pension plan and criticizes every attempt to end duplication. Time and time again that party has shown its contempt for Atlantic Canada. Now it says it will be the voice to represent Atlantic Canadians. I tell this House that Atlantic Canadians will not support a party that cannot decide what to support itself.

The Liberal Party agenda has always been clear. The Liberal government believes that all Canadians are born equal and deserve equal rights. We believe in offering a hand up to those in need and we continue to work night and day to rebuild an economy to assure that all Canadians have an opportunity for employment.

* * *

ATLANTIC CANADA

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the Liberal old federalists in Atlantic Canada continue to fail people in the region. Their short term patronage ridden band–aid solutions are not working.

The Liberal solution to unemployment in Cape Breton is simply to airlift people out to Ontario. They cling to the belief that bureaucrats and politicians should have all the say in how regional development resources are spent. They ridicule Reform's proposal to give citizens at the provincial and community levels the tools needed to develop self–reliance and a strong economic future.

• (1410)

Rather than make the operations of the fisheries department more efficient, the Liberals are now imposing enormous tax increases on fishers and ports users. It is no wonder most Newfoundland MPs do not live or pay taxes there.

It is clear the government has neither a workable short range or long term vision for the Atlantic provinces. Reform will continue to listen to the needs and aspirations of Atlantic Canadians.

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[*Translation*]

BOSNIA

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, the Bloc Quebecois welcomes the historic peace accord signed yesterday in Dayton, Ohio by the leaders of Bosnia, Croatia and Serbia. After four years of multilateral efforts to restore peace in the former Yugoslavia and end a bloody war that has claimed more than 250,000 lives, today there is hope that this accord will lead to a lasting peace.

Enormous challenges remain, however, and the international community will be asked to continue to provide not only humanitarian aid but also a 60,000 strong implementation force through NATO. This accord demonstrates that we were right to stay over there to protect the civilian population and take part in peacekeeping operations. We also believe we have a duty to take an active part in the peace process and the reconstruction which is about to begin.

[*English*]

RAILWAYS

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, recently constituents who work at CP Rail and VIA came to me about safety concerns they have about the way the recent collective agreements are being interpreted and enforced.

Canadian Pacific locomotive engineers are concerned about what is called turnaround combination service. VIA running crews are likewise being made to work when in previous times they could have booked rest without penalty.

Making tired people drive trains is not progress; it is tempting fate in the name of a false bottom line. I urge the Minister of Transport to look into the situation and tell CP and VIA to smarten up for the sake of the employees and in the interests of public safety.

* * *

ATLANTIC CANADA

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I rise today to reply to the rants of the Reform member for Vegreville about the political injustice he perceives exists in Atlantic Canada and specifically in P.E.I.

I take particular exception to the member's statement that "Islanders are forced to endure political oppression". Nothing could be further from the truth.

The only oppression that would occur in the Atlantic region would be if the Reform Party's policies of cutting the public health care system and Americanizing existing social programs were imposed on the people. I was shocked at the unfounded accusation of the member for Vegreville with respect to the political atmosphere on P.E.I.

Once again the Reform Party is exemplifying its pathetic policies of gaining cheap party support through divisiveness not only within the country as it did during the referendum but now within regions.

Shame to the member for Vegreville for unfounded accusations that can only be called cheap political fearmongering.

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[*Translation*]

NATIONAL PATRIOTS DAY

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, tomorrow on national patriots day, Quebeckers will pay tribute to those men and women who more than 150 years ago decided to defend and promote values which today are often taken for granted: freedom and democracy. It is no coincidence that November 23 was chosen by the National Assembly as the day on which we honour the memory of those who fought for civil and political freedoms as well as their national freedom.

On November 23, 1837, the Patriotes defeated British troops at Saint–Denis–sur–Richelieu, although the British outnumbered them and were better equipped. About a year ago, this House adopted a motion officially recognizing the historic contribution of the Patriotes to the establishment of democratic and responsible institutions. However, this government has taken no concrete action to make this recognition effective. I hope the government will acknowledge the will of the House and take appropriate action without delay.

* * *

[*English*]

ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, on Monday in a particularly hallucinogenic episode the member for Vegreville visualized himself and his party as the deliverers of freedom and democracy for the poor oppressed souls in Atlantic Canada.

His reference to the politically oppressed people of P.E.I. was just the latest and greatest example of why the Reform Party was not, is not and will never be anything but a bizarre footnote in the history of a short lived, radical, ideological party.

The Reform Party should have no illusions about sucking in the good people of Atlantic Canada. The people of Prince Edward Island and the Atlantic provinces have shown great maturity in the decisions they have made through the political process.

• (1415)

The statements made on Monday by the hon. member for Vegreville and in the past by those from his party only strengthen the case that the people of Atlantic Canada made the right decision on October 25, 1993 by completely rejecting the Reform Party and giving a resounding vote of support to the Prime Minister and the Liberal Party, the only national party that speaks for Atlantic Canadians.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in the final stretch of the referendum campaign, the Prime Minister made a commitment to respond to Quebeckers' desire for change. In the days following the referendum, the government set up two committees. One, chaired by the Minister of Intergovernmental Affairs, is to propose changes to the federal system by Christmastime. Yesterday, outside the House, the government leader postponed the tabling of the committees' proposals by several months.

My question is for the Prime Minister. Are we to understand that the extension of the deadlines of the ministerial committee on constitutional change announced yesterday by the Prime Minister means he has been unable to rally the premiers of English Canada round a proposal for constitutional change?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first let me say we are very sorry to see the Leader of the Opposition leave the federal scene.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Over the past two years I have really enjoyed meeting him daily and answering his questions. I therefore wish him all the luck in the task he set for himself yesterday of dealing with Quebec's real problems—good management and putting Quebec's public finances in order. Obviously, someone else will be here across the way, in a few months.

However, to answer the hon. member's question, first, we have always said we were prepared to make changes. But we never promised to make constitutional changes, particularly since I promised during the referendum campaign that I would make no constitutional changes and that the House would not debate constitutional change if the Government of Quebec did not approve.

Yesterday, I got an answer from the Leader of the Opposition, who said he absolutely did not want any constitutional change. Therefore I am in no hurry, since he does not want any, and we said would not make any without their support.

However, some administrative changes may be made. There are signs of willingness on the part of the federal government, which could be debated and voted on in the House. I said that we would proceed with certain items between now and Christmas and I asked the Minister of Intergovernmental Affairs and his committee to report back by Christmas. We are not talking about several months. This is November 22, and in a month from now it will be three days before Christmas. So we are not talking about months, but weeks, Mr. Speaker.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I note the profound sadness overcoming the Prime Minister at the prospect of my leaving the House of Commons, should the members of the Parti Quebecois so wish it. But he should not worry: I will not be far away.

I listened carefully to the Prime Minister's response on the changes he is not planning to make any more. Am I wrong, or did the Prime Minister say that he is backing down on the promise of constitutional change he made less than a month ago, that he is contemplating merely minor administrative changes and that his committee will now be called the ministerial committee on administrative change?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Leader of the Opposition has gone back to his old habits of commenting on what we have said. He made absolutely gratuitous statements during the referendum, and we will not let him get away with it any more.

I never said we were going to change the Constitution. He should read the speech I gave. I said we were going to make changes to the federation, constitutional changes, if necessary, but I never said they were going to be constitutional. I also said there would be no constitutional change without Quebec's approval. The Leader of the Opposition said yesterday he did not want any. He wants to remain a separatist—good for him. So we will bear this in mind, we will do what has to be done to keep the federation running and we will get on with the real problems, as the Leader of the Opposition put it, we will be concerned with job creation, good government and the deficit problems of both the federal and the provincial governments.

If the Leader of the Opposition really wants to work on these problems, we are prepared to co–operate with him.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, what a sorry about–face. If I ever do go to Quebec City, I will tell Mr. Johnson not to hold his breath for the changes he is expecting from the Prime Minister.

Should we conclude, and this question is clear—if there is one thing I have learned in this House, it is how to answer questions—are we to conclude that, as of today, less than a month after the referendum, after the speech we all heard in which the Prime Minister promised Quebec everything anyone could ever want after the referendum campaign, are we to understand that he is reneging on these changes he made hastily at the time and that he is going back to his old strategy of putting English Canada to sleep and offering Quebec nothing?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what I said in my speech was very simple. I said that my party and I had been, are currently and would be in favour of a distinct society for Quebec, something the Leader of the Opposition and his party fought against in the Charlottetown accord.

Furthermore, during the referendum, he criticized us for not having supported that, when they voted against it in the Charlottetown referendum and all the PQ members voted against the Meech Lake accord in the National Assembly. We are still in favour of a distinct society, as we indicated in Charlottetown and in this House. In order to add it to the Constitution, we require the approval of the Government of Quebec. The Leader of the Opposition has said he does not want it written into the Constitution. So we will not do it against the wishes of Quebec.

Secondly, I said that we did not want any constitutional changes without the agreement of the Government of Quebec or the people of Quebec, as has happened in the past. Sometimes referendums can be held. Here again, we cannot act without the approval of Quebec. We can, however, impose certain restrictions on ourselves, if we wish. This is perhaps what we will do.

As for sharing responsibilities, the minister responsible has signed nine agreements with the provinces to improve the system and put an end to duplication. The current PQ government is not interested in such an agreement. I hope that, as government leader, the Leader of the Opposition will make good management a priority and help us determine which jurisdictions are in competition so we can ensure that taxpayers in Quebec as in the other provinces receive the most for the taxes they pay annually to the two levels of government.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, what a regrettable performance by someone wanting to renege on his commitments and not able to find a way to get out of those he cannot keep.

The Prime Minister of Canada was one of those who loved us so madly three days before the referendum that he promised recognition of a special status for Quebec. He promised us a right of veto, as well as decentralized powers. That is what he promised us just before the referendum, when he loved us.

• (1425)

Will the Prime Minister be frank enough to admit that he then heeded his mentor Pierre Trudeau's admonition of several weeks ago, and that his about–face is the result of the word from Trudeau?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I told Quebeckers there would be no constitutional change without the consent of the Government of Quebec.

Yesterday the man who wishes to head the Government of Quebec said that this was impossible, that he was a sovereignist, that he did not want any changes to the Constitution. I was not the one who said this, it was the Leader of the Opposition himself. As I have said, I will not make any changes against his wishes; let no one blame me for heeding the wishes of the Government of Quebec.

Second, as for the distinct society, we have affirmed this and will have other occasions to affirm it, and I hope that the hon. member for Roberval will get up in this House and state that he is in favour of a distinct society if that is what is wanted. I can hardly wait for that day to come.

Then we shall see what really happens. During the referendum campaign, they said that in their hearts they were opposed to a distinct society because they are sovereignists, and still unfortunately separatists.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are the words of the Prime Minister, who is getting caught up in an increasingly tangled web, not an admission of his powerlessness, his inability to fulfil his commitments toward Quebec made within three days of the referendum, when he was in love with Quebec?

Is this not an admission of powerlessness? Does the Prime Minister realize that mere cosmetic changes will never satisfy Quebec, and that he is incapable of an in depth solution to the problem?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, my speech is recorded and is clear. I said that the party I represent was in favour of a distinct society and that we were going to affirm it. We will have the opportunity to affirm it, even if the Bloc Quebecois does not want us to.

Second, I have said and I am committed to it, that we would not make any constitutional change without the consent of the Government of Quebec or the people of Quebec, and we are going to keep our word. Nothing can be clearer than that, and I repeat it today in this House.

As for better administration and shared responsibilities, we are working on this at the present time, and I trust that we will have the co–operation of the new Government of Quebec, unlike the current one, which has never wanted to discuss it seriously with the minister responsible for federal–provincial relations.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, all of us are familiar with the principle that those who do not learn from the mistakes of the past are bound to repeat them.

In the Quebec referendum campaign the biggest mistake the Prime Minister made was to grossly underestimate the demand for change in his home province. It was only in the last week of that campaign that he mentioned change at all, and when he did so it was so vague as to have no positive consequence on the campaign.

Will the Prime Minister repeat that mistake again by putting change on the back burner or will he present Canadians with a substantial plan for showing the way this federation ought to operate?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the leader of the third party always refers to the fact that we do not need any constitutional change. He said that in the House not long ago. He says that he does not want to weaken the federal government but whenever he makes a speech he asks us, for example, to dismantle medicare.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): They are changing their minds because the people of Alberta at this moment are telling the provincial government that they do not want to see medicare destroyed.

We are working to make sure there is less duplication and a better sharing of responsibilities between the provincial governments and the federal government. We are working on that.

• (1430)

However, if the goal is to destroy the central government in Ottawa so that we will have a community of communities, this Prime Minister is not for that.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister speaks of destroying the country and dismantling federalism. I remind him he is the one who allowed the country to get within .6 of 1 per cent—

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: Order. The hon. member for Calgary Southwest.

Mr. Manning: Mr. Speaker, we are talking about mistakes. The worst mistake the federalists can make in preparing for the next and final contest with the separatists would be to use yesterday's tactics. Yesterday's tactics are for yesterday's federalists, not the new federalists of the 21st century.

That means it would be a profound mistake to go back to the contents and tactics of the Meech Lake or Charlottetown accords, with their talk of special status, distinct societies or vetoes for Quebec.

Will the Prime Minister assure the House and all Canadians that he will not be marching backwards into the future, that he will not go back to Meech or Charlottetown for solutions to the current struggle between federalists and separatists?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, here again we see the leader of the third party in bed with the separatist party in the House of Commons.

When we were fighting in Quebec the leader of the third party was in the House shooting at us, contrary to what the leader of the Conservative Party was doing; in the campaign, working for Canada. The leader of the Reform Party was always on his feet trying to ensure he might some day become the prime minister of the rest of the country, because he will never be the prime minister of the whole country, Canada.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it is obvious the Prime Minister will not listen to me. Maybe he will listen to someone from Quebec.

One of the most telling letters I received during the referendum was from a soft sovereignist who said he would probably vote yes, but who added this explanation: "The matter at hand is not really the separation of Canada and Quebec, but the separation of Quebec from the present form of federal government. You as a Reformer said you want decentralization, which necessitates serious change to the present form of federal government, but negotiations in good faith with the Liberals will not accomplish this".

This Quebecer does not want to separate from Canada but from an overcentralized federal government. He is one of the 80 per cent of Quebeckers who want a realignment of federal–provincial powers.

Some hon. members: Order.

The Speaker: I know the hon. member for Calgary Southwest will now put his question.

• (1435)

Mr. Manning: What is the Prime Minister's response to this demand for change from a Quebecer who really wants to stay in Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the person is a soft sovereignist. Perhaps the leader of the third party, who hopes some day to be the leader of the opposition, although he might not succeed if he does not become better than he is, should stop quoting from separatists or quasi–separatists and start to really work with us to make sure Canada is a good country with values and a social system that binds all Canadians together.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is directed to the Prime Minister. After hinting that he would not respect the democratic results of the referendum, the Prime Minister said he wanted to prevent another referendum from being held in Quebec and then went on to criticize the Canadian Broadcasting Corporation, which, according to him, did not show sufficient support for national unity during the last referendum campaign.

Does this mean that the Prime Minister not only wants to prevent Quebeckers from voting again on their future at the appropriate time but also wants to control the news coverage they get through the CBC?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, certainly not. I made certain comments. I said that some people complained about the way the CBC behaved during the referendum campaign. Someone also said that the CBC was jeopardizing its reputation and should be lumped in with all the other lackeys and puppets of the government.

Even the Leader of the Opposition criticized the CBC during the referendum campaign. I gave one opinion, and there were people who were not satisfied with the CBC's performance, including the Leader of the Opposition.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I would like to set the record straight. The Leader of the Opposition criticized the CBC when the network refused to broadcast the Yes committee's message, not because of its news coverage.

Is the Prime Minister saying that he intends to put back into the Broadcasting Act the obligation to promote national unity and thus force the CBC to be its master's voice instead of an independent news broadcaster?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that what we want is objective news coverage. As I said at the time, I am hardly in a position to complain, because since I want a good night's sleep, I do not listen to the CBC before I go to bed. That is why I am healthy. I get a good night's sleep.

However, we want our news coverage to be objective. But the funny thing is that when the opposition criticizes the CBC, there is no problem. But when the government party does, it is not fair. What I had to say, I said publicly. I have never spoken to the president of the CBC since he was appointed. I let him get on with his job. However, I will not refrain from expressing my opinion as party leader, like the Leader of the Opposition did during the referendum campaign.

* * *

[*English*]

TAXATION

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the auditor general has pointed out that the new E–file method of filing tax returns has serious flaws and is therefore open to substantial abuse, while the Minister of National Revenue says the system just needs a little fine tuning.

Canadians will quickly lose confidence in a system that penalizes honest taxpayers by letting others off the hook while this minister wants to squeeze every taxpayer until it hurts.

• (1440)

What commitment do we have today that the minister will fix the problems raised by the auditor general?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, we are happy at Revenue Canada to have the comments of the auditor general. However, the hon. member has exaggerated and used figures which are simply not accurate.

The auditor general said: "Although our analysis is insufficient to draw firm conclusions about cause and effect—more years of data are required to determine if this movement is temporary or permanent in nature".

Electronic filing provides substantial improvements in service to Canadians, to the taxpayer and to the government in terms of reduced costs. It improves the opportunity for effective surveillance to prevent fraud by people who might cheat the system. It also dramatically increases the speed with which cheques get out to the public.

It is a new system introduced in 1990. It is a system on which there are not full information years on which we can base substantial comparisons, but every indication is that the system is working absolutely as well as the previous paper system, except for the advantages I outlined.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the minister is asleep, like most of the others.

The government squeezed another $7.3 billion out of Canadians in the last fiscal year. It is obvious the government intends to balance the budget through increase taxation, not cuts in spending. Last year it collected $7.3 billion more in taxes while it reduced the deficit by only $4.5 billion.

Will the minister admit he does not have a tax cutting policy that works or a taxation collection policy that works, and that he does not know how he will fix either of them?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member has correctly pointed out the tax system is generating more revenue. The basic reason is the confidence the business community has in the Minister of Finance. However, if I may modestly add, another reason is that Revenue Canada is working more effectively than ever before.

New developments in technology and the information highway are particularly difficult for Reformers to understand. We must still tell them the old system of inefficiency, time consuming as it was, which cost the taxpayer money and which led to more abuse and fraud, is not the way we will be going in the future.

We have over the last two years picked up $7 billion through our enforcement programs. We are doing this in a manner which recognizes that the client, the ordinary Canadian taxpayer, is in almost every case, at least 96 per cent, an honest citizen.

The approach of the opposition—

* * *

[*Translation*]

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if the Prime Minister does not listen to Radio–Canada, one wonders how he can criticize the network.

My question is directed to the Minister of Human Resources Development. In his report released yesterday, the auditor general made it clear that manpower training programs are poorly adapted to the requirements of Canadian businesses.

Would the minister agree that the auditor general's harsh assessment of federal manpower training programs is further evidence it is high time the federal government withdrew altogether from manpower training and left it up to the provinces?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, to set the record straight, I listen to CBC radio.

• (1445)

The auditor general said something we have been saying for the past two years: that we have to substantially revamp training programs to ensure that the private sector takes far more responsibility, invests far more of its dollars to help young people in particular get jobs, and that people in the existing workforce upgrade and get the kinds of skills required within the area.

Since 1993, as we have begun to make the changes the auditor general observed, we have been able to leverage over 77 million additional dollars from the private sector for training young people. It shows that while the auditor general was observing what should be done we were already doing it.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, will the minister stop being so stubborn and acknowledge that, if manpower training programs are to reflect the requirements of the private sector in terms of training and jobs, the minister should respond to a consensus in Quebec among government, business, unions and interest groups, all of whom want to see responsibility for manpower training patriated to Quebec?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is unfortunate the hon. member did not do her homework before she asked the question. If she had, she would know that in July 1994 we signed an agreement with the province of Quebec, with the SQDM, in which we have a basic agreement and partnership on the supply of training. The SQDM advises on labour market demands, approves course selection, identifies qualified training institutions, determines course curriculum, confirms that training responds to skills. We are working in partnership with the SQDM to make sure we get full dollar.

I agree that we have to go beyond that. That is why in the reform we are developing we intend to give far more space to the provinces in the training area so they can make those choices and at the same ensure that clients under the unemployment insurance program are properly and effectively served and getting back to work.

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REGIONAL DEVELOPMENT

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, five years ago the Treasury Board approved a policy to make all government contributions to businesses repayable. In the finance minister's 1995 budget speech he confirmed that policy. Yet at FEDNOR only 92 per cent, at ACOA 83 per cent, and in his own FORD–Q only 76 per cent of the loans are being made repayable.

Why is the finance minister not enforcing his own guidelines within cabinet?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development— Quebec, Lib.): Mr. Speaker, in all regional agencies a series of loans were outstanding that are in the process of running. The policy applied to new loans. There was to be a phase in process; one was not to impose this immediately so that business would be able to adjust.

When one looks at those loans within the regional agencies, it is the commercial loans that are repayable. As well, the regional agencies have activities in non profit making areas, structural areas that may well help the economy or a particular region. Those are not repayable.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, despite the minister's fine words there is no real accounting in regional development. I point to his department. Over a quarter of the loans approved by his department did not even need government assistance in the first place, according to the auditor general's report. Those approvals amounted to $65 million for FORD–Q.

Will the minister commit today to stop this hemorrhaging of Canadians' hard earned tax dollars? In other words will he do his job?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the vast majority of the criticisms levelled by the auditor general as far as the regional agencies were concerned were levelled in terms of activities that took place prior to the election of the government.

A number of those criticisms were recognized by the individual ministers when they took office. It is as a result of the recognition of those criticisms that the fundamental changes in all the agencies have taken place, changes which have gone a long way to rectify the criticisms the member has just brought forward.

• (1450)

[*Translation*]

CP RAIL

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is directed to the Prime Minister.

In addition to the loss of 710 jobs in Montreal, CP Rail's decision to move its headquarters will further diminish the city's position within Canada's transportation sector. The decision to move CP headquarters is a direct result of federal railway policies which, thanks to enormous subsidies and protected branch lines, have caused a shift in railway activity to Western Canada.

What does the Prime Minister intend to do to compensate for the jobs lost in Montreal as a direct result of federal policies that provide massive subsidies for the railways in Western Canada?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the hon. member, who is a member of the Standing Committee on Transport, will have a great opportunity for his party to get on the record to help this government build an efficient and affordable railway system in the country.

If he wants to ensure that we have good transportation he will support the government's Bill C-101, which will make it possible in Quebec and across the country to build short line railways and make sure that customers and shippers can move their goods in an efficient and affordable manner so that the country can continue to build on the export business.

What the Bloc Quebecois can do for the country is help us build a great transportation system.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question was directed to the Prime Minister, so I expected a member of the government to reply.

The Prime Minister said he wanted to deal with the real problems—

Some hon. members: Oh, oh.

The Speaker: My dear colleagues, as you know, when questions are put in the House, anyone on the government side may answer the question. I would ask the hon. member to put please his question right away.

Mr. Mercier: Mr. Speaker, I meant a member of cabinet.

The Prime Minister said he wanted to deal with the real problems, but the federal government is causing these problems with its discriminatory treatment of Montreal.

Now that CP Rail is leaving Montreal and Canadian Airlines International has stopped its operations at Mirabel, another consequence of railway policies, when is the Prime Minister going to take steps to make Montreal the focus of the transportation sector, which it has always been until now?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is all very well for the Bloc Quebecois to keep blaming the government, but perhaps they should take a good look in the mirror. Considering the kind of climate they created in Quebec during the past few years and the intolerance they have often shown towards minorities in Quebec, it is hardly surprising that right now, some people want to get out of Montreal.

* * *

[*English*]

VIETNAM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On October 4 I asked the Minister of Foreign Affairs to raise with the Vietnamese government the case of nine religious, academic and cultural leaders then in prison in Vietnam. I am happy to say that two of these prisoners have now been released and they have arrived in North America.

Could the minister assure the House that he would continue the policy of quiet diplomacy on behalf of the remaining members of the group still in prison?

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I am glad to respond to the hon. member that our foreign affairs minister was in Vietnam recently and made representations to his Vietnamese counterpart, the foreign affairs minister of Vietnam, and to the Prime Minister of Vietnam to encourage greater respect for human rights.

We are also seeking Vietnamese concurrence for a visit to Vietnam by Canadian Human Rights Commissioner Max Yalden to further develop dialogue in that area. Canada continues to voice concerns about the human rights situation in Vietnam in international fora.

* * *

• (1455)

CANADIAN BROADCASTING CORPORATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the Minister of Canadian Heritage has instructed the president of the CBC to come up with $350 million in spending cuts. Today he is announcing that he will be $120 million short in that department. There is no guarantee that the mandate committee report at the end of the month will give the president the scope to make the cuts he needs to make.

Will the Minister of Canadian Heritage show some leadership for a change and untie the hands of the president of the CBC and allow him to go ahead and make some fundamental cuts to the CBC, including allowing private broadcasters to start to deliver some of the services the CBC currently delivers?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague should be aware that today the president of the CBC announced very important re–engineering within the CBC. This is in keeping with reduction of the deficit and reduction of budgets. He has the support of the government in his effort to turn the CBC into a modern, forward looking agency.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I just explained that to the minister. I am glad he was listening so carefully. The problem is he is $120 million short. Surely the minister picked that up when he read the newspaper this morning.

The CBC is at a watershed today. Will the minister show some leadership and give the president of the CBC the mandate he needs to go ahead and make further cuts so he can achieve the $120 million in savings and the scope he needs to fundamentally rethink the CBC, including allowing private broadcasters to play a larger role in delivering those services?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is precisely to enable the president of the CBC to rethink the CBC that the government has formed a committee to examine the mandate. The mandate is the heart of the CBC. The reports of the mandate committee will be available at the end of this month. In the meantime, our colleagues may hold their breath.

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[*Translation*]

INFORMATION HIGHWAY

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is also for the Minister of Canadian Heritage.

Recently, the Information Highway Advisory Council tabled its final report. This report completely trivializes Quebec culture, since it calls for an information highway serving a single so–called Canadian identity and culture. As well, various elements of this report are likely to result in further federal intrusion into areas in which Quebec is already fully exercising its responsibilities, health and education for instance.

Does the minister commit to rejecting these recommendations, which invite the federal government to interfere in areas that are exclusively Quebec's jurisdiction, such as health and education?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, a committee has indeed made recommendations. I would like to point out to my colleague that, among the recommendations made by one of the working groups created by this committee, there are some that are content–related, that is to say culture and all of those elements which may make up content. This is the specific area I shall address.

We will be bringing forward a series of recommendations following up on the work of these committees and of the advisory council, and I trust that our colleague will be able to see that our decisions are judicious ones and link Canada up to the world information highway.

* * *

[*English*]

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the fisheries minister said in the House this week that his new $50 million tax grab, which he calls access fees, will be applied in a fair and equitable manner. Reform profoundly disagrees with this intolerable tax, and now we find that native commercial fishermen will pay only half the access fee that non–natives pay.

Will the minister now admit this policy is essentially discriminatory at its core, commit here and now in the House to equality of treatment for all Canadians and stop treating non–native fishermen as second class citizens in their own country?

• (1500)

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am sure the member, who comes from Prince Rupert and who has within his constituency both native and non–native fishermen, would not want to get up in the House and inadvertently or carelessly, which would not be in his nature, cause a division between the native community and the non–native community.

Mr. Abbott: You are causing the division.

Mr. Silye: It is your rule.

Mr. Tobin: I have a bad throat so you will have to be quiet if you want to hear the answer. I am not used to yelling.

As the hon. member knows, people with native backgrounds occupy 40 per cent of the commercial sector of the industry. Coming from Prince Rupert I am sure he knows that. The commercial fleet, the people who speak on behalf of the aboriginal fisheries, the sports sector, in fact all sectors, are attending a round table process. The purpose of this process is to bring the industry together to produce a plan for the proper management of the fishery.

The process is not finished and until it is those kinds of conclusions cannot be drawn. We ought to let people who want to work together—

The Speaker: I would remind hon. members to address the Chair.

* * *

JUSTICE

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, crime prevention has always been one of our major goals. We all know that in order to prevent crime it is necessary to respond to the underlying social costs of criminal behaviour. Access to education and training are the essential elements from crime prevention.

Therefore, what is the government planning to do to promote involvement in the justice system?

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, the government is very concerned about community safety and security as it relates to young people.

We have set up a program that reaches across the country from the far west right into the Atlantic and up into the north. Fifteen communities across the country will benefit from this initiative. For example, one project announced in September is situated in the southern Ontario region. We expect to have 20 youth participate in this project once it is under way.

The government is working with all partners in order to better aid Canada's youth. In addition to that, human resources development is working with community partners and youth to improve public safety as a whole.

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PRESENCE IN GALLERY

The Speaker: I wish to draw members' attention to the presence in the gallery of the Honourable Grich Gongpechara, First Deputy Speaker of the House of Representatives of the Kingdom of Thailand.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

• (1505)

[*Translation*]

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.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATIONS

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Madam Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the 10th report of the Canadian NATO Parliamentary Association, which represented Canada at the 41st annual session of the North Atlantic Assembly held in Turin, Italy, from October 5 to 9, 1995.

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COMMITTEES OF THE HOUSE

HEALTH

Hon. Roger Simmons (Burin—St. George's, Lib.): Madam Speaker, I have the honour on behalf of the Standing Committee on Health to present its sixth report in accordance with its order of reference of November 1, 1995.

The committee has considered votes 1a, 5a, 10a, 20a and 25a under health in supplementary estimates (A) for the fiscal year ended March 31, 1996 and report the same.

A copy of the minutes of proceedings relating to the study is tabled.

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Raymond Bonin (Nickel Belt, Lib.): Madam Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Aboriginal Affairs and Northern Development on Bill C-107, an act respecting the establishment of the British Columbia Treaty Commission, and have agreed to report it without amendment.

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STANDING COMMITTEE ON FINANCE

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I think you would find consent for the following motion. I move:

> That the Standing Committee on Finance or any of its subcommittees be authorized to adjourn from place to place within Canada during the week commencing November 27, 1995 to hold prebudget consultations and that the necessary staff accompany the committee.

(Motion agreed to.)

PETITIONS

CRIMINAL CODE

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, today I have two petitions to present on behalf of the constituents of Simcoe Centre.

The first petition concerns section 745 of the Criminal Code. The petitioners request that Parliament repeal section 745 of the Criminal Code so that convicted murderers have to serve their full 25–year sentence behind bars.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the second group of petitioners request that the Government of Canada not amend the human rights act to include the phrase of sexual orientation.

The petitioners are concerned about including the undefined phrase of sexual orientation in the Canadian Human Rights Act. Refusing to define this 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.

• (1510)

ST. LAWRENCE SEAWAY

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition which is signed by a number of residents of my riding of Stormont—Dundas.

The petitioners call on Parliament to ensure that approximately 70 Cornwall jobs at the St. Lawrence Seaway Authority headquarters remain in Cornwall. They also emphasize that the city of Cornwall cannot afford any more economic losses of jobs in an already depressed area which has been hard hit by the closure of several industries.

Many other petitions were circulated locally. While not in the proper form for this House, they still request that the same consideration be given and that Parliament recognize the historical link between the St. Lawrence Seaway Authority and the city of Cornwall by keeping the head office and those jobs in the seaway city.

INCOME TAX

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating all across Canada. The petition has been signed by a number of Canadians from Cambridge, Ontario.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

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QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

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[*Translation*]

MOTIONS FOR PAPERS

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—RIGHTS OF VICTIMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.) moved:

That this House condemn the government for failing to make progress in reforming the criminal justice system in terms of introducing measures to ensure that the rights of the victim are protected and that these rights supersede the rights of the criminal and in terms of changing the name of the week of November 19 to 26 from Prisoners' Week to Victims' Rights Week.

He said: Madam Speaker, I will be dividing my time. It is an honour and a privilege to lead off the debate on this Reform motion.

On March 17, 1994 I had the pleasure of participating in our first debate in the House on victims' rights. The example I will use comes from my home province of Saskatchewan. It illustrates the government's preoccupation with criminals' rights rather than victims' rights. It is the case of Gregory Fischer, a convicted cop killer. He was sentenced to life imprisonment with no chance of parole for 25 years.

Fischer had just applied for early release under the Liberal government's faint hope clause, section 745 of the Criminal Code. Mrs. Marie King–Forest, the wife of RCMP Constable Brian King, had to fight hard for her right to be heard at these hearings. She had the support and sympathy of many friends, the police, the public, the media and many MPs in the House.

How did the Liberal government respond to this one victim's lonely struggle? What was her family's reward for reliving the nightmare of her husband's mindless murder by two cold–blooded killers? The Liberal government rewarded Mrs. King–Forest with a small change to Bill C–41, giving victims the right to introduce a victim impact statement in the judicial hearings that decide to release these killers early. The court rewarded Mrs. King–Forest's efforts by cutting two years off Gregory Fischer's sentence. That is Liberal justice.

The Liberals are poised once again to drag Mrs. King–Forest through the same ordeal because now Darrel Crook, her husband's other murderer, is applying for early release under the same Liberal loophole in the Criminal Code.

• (1515)

If the Liberals had accepted our amendment during the debate on Bill C–41, section 745 of the Criminal Code would have been repealed and Mr. Crooks and the hundreds of other killers who were serving life sentences with no chance of parole would have served their full sentences. If our amendment had been accepted, Mrs. King–Forest and her family would not have to endure another senseless judicial hearing.

Under a Reform government, when the court says no chance of parole for 25 years, that is exactly what the heartless criminal will get. If do–gooders are concerned about killers' rehabilitation, let them play their games after the full sentence has been served. Certainty in sentencing, protecting society and giving the relatives of the victims some peace and closure are more important than letting a killer back on the streets a couple of years early.

Everything our party has done with respect to the criminal justice issue has been governed by our fundamental principle that the rights of the victim should supersede the rights of the criminal.

During the debate on Bill C–37, the Young Offenders Act, we proposed changes that would better protect victims rights. We proposed changes that would place more emphasis on victim compensation as part of the sentencing. We proposed that the parents of young offenders be held legally responsible for the crimes committed by their children, if it could be demonstrated that the parents failed to exercise reasonable parental control. Under these proposals parents would be required to compensate victims for property crimes committed by their children.

Unfortunately, the Liberals ignored our advice and recommendations. They voted against our amendments and against giving victims more rights than the criminals.

During the debate on Bill C–41, the sentencing bill, Reformers proposed changes that would ensure victims were protected. We proposed that victims be given the right to express their views on whether the use of alternate measures were appropriate for the crime against them. We proposed measures which would ensure sentencing would be proportionate to the gravity of the criminal conduct and to the actual harm done to the victim. We proposed changes which would give victims the right to give verbal victim impact statements.

As stated previously, we proposed the repeal of section 745 of the Criminal Code, which would ensure killers stayed in jail for the full term of their sentence. For Reformers, life means life. Unfortunately, the Liberals ignored our advice and recommendations and voted against our amendments and against giving victims more rights than criminals.

During debate on Bill C–45, the Corrections and Conditional Release Act, Reformers proposed changes that would give victims more rights. We proposed amendments that would ensure victims received direct financial compensation from the offender's income while incarcerated. We also proposed that violent criminals be denied parole and statutory release thereby protecting the rights of victims to life, liberty and security of the person.

We proposed that criminals who commit criminal acts while on parole or conditional release be sent back to serve the full sentence of their crime and then the full term of the sentence of their second offence. Two plus two is four consecutive sentences, not concurrent.

To protect victims of child sexual abuse, we proposed a child sex offender registry and that this registry be made available to police investigating a child sexual offence. We proposed that all persons convicted of sexual assault would serve the full term of their sentence. Once again, the Liberal Party ignored our advice and recommendations and voted against our amendments and against giving victims more rights than the criminals.

Reformers have gone to great lengths to introduce and enhance victims rights every chance we get, but the Liberals simply ignore them. They do not seem to get it. They seem locked in the Liberal thinking of the 1970s. Liberal ideas are socialist concepts that have failed and failed miserably. Reformers give their ideas freely because they have come from the common sense of the common people.

The Liberals across the aisle seem to ignore these ideas at their own peril. In the next election common sense will prevail and common people will only re–elect members who best represent their views in the House. That means voting the constituents' wishes and not the Liberal cabinet's wishes.

• (1520)

When criminals are arrested, the police read them their rights. Victims are never informed that they have rights. They are treated just like another piece of evidence. If a criminal has rights then so must the victim and if the victims have rights, should they not also be entitled to know what those rights are?

I have been working on a list of victims rights since the day I arrived on the Hill. Here is what I have come up with so far. I do not know if I will be able to finish the list, but this will give an idea.

Victims have the right to be informed of their rights, to be informed of services available, to be informed about the investigation, to be informed about the court proceedings. They have the right to receive notice of any hearing and have a right to receive notice of the release of an offender.

Victims have the right to legal counsel, the right to be heard by the crown before the trial, a right to be heard in the judicial process, a right to have their case prosecuted and a right to prompt disposition of prosecution. They have the right to restitution from the offender, and a right to prompt return of private property. Victims have a right to privacy, a right to protection from intimidation and a right to defend themselves, family and property. Victims have a right to exercise all of these rights.

Now that we have an idea what victims rights are, it is time for the federal government to start codifying these rights and working with the provinces to build legislative guarantees and administrative mechanisms to ensure that victims can properly exercise these rights.

There is a cruel irony that we are having this debate this week, for November 19 to 26, 1995 has been proclaimed by the Liberal government to be prisoners week. The Liberal prisoners week clearly demonstrates where this government's priorities are.

Do members know that there is no week of the year, not even a single day of the year dedicated to the victims of crime? We have a week dedicated to prisoners, but not one for their victims.

The federal government has proclaimed a week for brotherhood and sisterhood, a week for waste reduction, a week for international archives, a week for dental hygiene, a week for disarmament and on on the list goes. There is a week for earth and a week for professional secretaries but there is no week for victims of crime. It is time to correct this colossal oversight. I urge members of the House to support our motion to declare this week victims rights week.

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, it is a pleasure to speak to this issue today.

We are making every attempt to reflect exactly what happens in the Liberal government's agenda concerning victims. We want to reflect that the government's failure is in effect a failure to address the rights of victims.

I am going to demonstrate that with a small story. When I raise these stories in the House of Commons, I am accused at times, in fact a number of times by the minister of immigration as picking out and isolating certain cases which are not really reflective of what happens in Canadian society. That is a lot of hogwash. The fact is that the kind of case I am going to talk about this afternoon happens virtually every day in Canada.

I was in a hospital about 11 weeks ago and I met a lady who was quite despondent. She was crying because her 19–year old son Allen had been hit by a car at an intersection. He is in Royal Columbian Hospital. He had broken legs, a broken arm and his pelvis was broken in seven places, I believe. His head was basically crushed. He has a 20 to 25 per cent chance of living. Allen's mother Debbie does not believe that the system looks after her as a victim. Her husband Allen senior, feels the same way. I asked her to explain what happened.

A young offender stole a four by four truck. He drove it through the streets of Surrey, British Columbia, and toppled the four by four truck over Allen's Fiesta.

• (1525)

Right away, the young offender was read his rights and I will read those in a moment. He was whisked away. The other young fellow who was with the young offender was let off. He was only an accomplice sitting in the same vehicle they stole.

Mr. and Mrs. Wayne asked the crown prosecutor to make sure the guy who was charged with eight counts was sent to adult court, just like the Liberals said would happen. They also asked to be informed of any plea bargaining that took place. Guess what? Plea bargaining took place and they did not know it. I found out about it.

Of the eight charges, five were dropped in the plea. Three of the minors were presented and brought forward. Why the minors? That is obvious. Why was it so fast? It took about five or six weeks to run this young offender through from the time of the accident to sentencing. Five weeks is almost unheard of. The reason in all likelihood is that the young offender would have been charged with manslaughter had young Allen Wayne died. That is why they rushed him through, which is another protection for the victim. Now what happens?

Let us go to the sentencing. What does the judge give him? This is where victims and parents do not understand what is wrong with this Liberal government. This guy gets 15 months open custody, go home. He gets three years prohibition from driving. However he is already on prohibition from driving and gets charged with that count. Prohibition from driving means nothing to this fellow. What does he get for prohibition from driving? He gets one day concurrent open custody. One day. What is being told to young offenders here? He just about killed

somebody—he may die yet—and for driving while prohibited he gets one day.

This happened. It was not dreamed up. The Waynes have a right to feel the way they do because the laws, the rhetoric and all this hogwash which is brought into the House by the Liberal government is nothing more than that. It is rhetoric and hogwash. Most victims, if not all of them, know that. The government will not go very far pushing hogwash.

Let us hear what is read. I asked the police for this recently after watching the television show "To Serve and Protect" one Sunday night. During the show a lady was sitting on the street crying and bleeding. The police had the guy who obviously did it and were reading him his rights. She was sitting there unattended.

The police said he was being arrested for whatever he was charged for. "It is my duty to inform you that you have the right to retain and instruct counsel without delay. You may call any lawyer you want. A legal aid duty lawyer is available to provide legal advice to you without charge and can explain the legal aid plan to you. If you wish to contact a legal aid duty lawyer, I can provide you with a telephone number". The victim was sitting on the street bleeding and crying, wondering what rights she had. Very few.

We will present some victims rights shortly. We will see if the government has the courage, particularly the backbenchers, to adopt some of those rights. My guess is they will not. They will find some small thing in the victims bill of rights to oppose it, thereby throwing it out.

How much time do I have, Madam Speaker?

The Acting Speaker (Mrs. Maheu): Three and a half minutes.

An hon. member: Too many.

Mr. White (Fraser Valley West): Good. Too many, he says. That is what is wrong over here. We have too much time to talk about victims rights. That is what is wrong with the Liberal Party.

• (1530)

Victims should have the right to be informed of their rights at every stage of the process, including those rights involving compensation from the offender. They must also be made aware of any victim services available. Is that too much to ask?

Victims should have the right to be informed of the offender's status throughout the process, including but not restricted to location of the accused from time of arrest, notification of any arrests, upcoming court dates, sentencing dates, plans to release the offender from custody, including notification of what community the parolee is being released into, parole dates and on and on it goes.

All information is to be made available on request. What is wrong with that? What is wrong with people having those rights today? Bonnie Lucas in my riding would say: "That is what I wanted when my estranged husband came home and burned our house down with our kids in it. We just escaped from it".

All she asked the parole board was: "Would you mind telling me when he is getting out, because he is going to come after me again?" That is all she asked. What happens? We find out he is out living very close by, and on and on it goes.

Victims should have the right to give oral and written victim impact statements before sentencing, at any parole hearings and at judicial reviews. What is wrong with that?

Victims should have the right to be informed of details of the crown's intention to offer a plea bargain before it is presented to the defence. Allen and Debbie Wayne are appalled, as everybody should be, that this young offender had five of the eight charges against him dropped conveniently. He was out on the street the next day while the police were still filling out their forms.

Victims should have the right to know why charges were not laid if that is the decision of the crown or the police. So often we hear they are going to lay some charges but no charges come. They wonder why. It happened in my office. My secretary had her house ripped off three times in a row. She did not know why charges were not forthcoming. To this day she still does not know, except we hear these guys are into bigger things: "You are kind of a zero and we are after the bigger stuff". She does not know why charges were not laid yet they know who did it.

Victims have the right to protection from anyone who intimidates, harasses or interferes with the rights of the victim. I can speak to that one with Joan Cave who was sexually assaulted. The guy was sent into Vancouver remand, writing her threatening letters from remand while we paid the postage. Surely there is something better we could do.

The government has been an absolute disaster on criminal justice programs.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I listened to the member's discussion. Simple solutions for complex problems seems to be the agenda of the Reform Party. If we have problems with taxes, flat taxes will solve the problem. If we have problems with debt, just cut government in half and they will al go away. If we have a problem with the criminal justice system, rename a day, rename a week; that will make it better.

The reality is the problems with crime in this country are deep seated. I do not hear the Reform Party talking about how to solve the real issues of crime in our society.

I have some statistics on violent crime in Canada which include all categories: crimes of violence, property crimes, Criminal Code offences, drugs. From 1991 to 1992 there was a 6.3 per cent reduction in total crime. In 1993 there was a further 5 per cent reduction in crime. In 1994 there was an almost 5 per cent reduction in crime. Remarkably these are periods of a Liberal government. During the entire period of time this government has been in office crime has been and is being reduced in Canada.

• (1535)

This will not make headlines in local newspapers but the reality is crime is being reduced. I know the hon. member on the other side does not want to hear that, but these statistics are factual.

I will address what I consider some aspects with the problems of crime in our society. We have gone through a whole generation of young people whose only access has been the electronic media. Often the only babysitter of choice for a whole generation has been the electronic media, the television. We have glorified crime on television and a lot of these young people today cannot distinguish between pretend crime and real crime.

How do we want to address these real factors? The government, through the CRTC, is now trying to find ways to use the V chip to take violent acts in programming out of the home environment and allow parents to have the ability to filter out violent programming within their houses.

The hon. member is saying the Liberal government is doing nothing. I think this is a very profound thing which affects over a long period the attitudes and conduct among young offenders. Just by doing away with the Young Offenders Act we will not do away with crimes by young offenders.

It is time the Reform Party started talking about real problems and real solutions instead of just saying hang them and they will go away.

I wish the member would address some of those real problems.

Mr. White (Fraser Valley West): Madam Speaker, I read seven solutions and within each one there were other issues. It has taken us months and months of research and some guy stands up and says we have simple solutions and he does not hear how Reform will solve problems. The members on the government side are not even listening to what is being said. That is because the front bench tells says: "We will do what we want and you guys will be told how it goes".

What makes me really sick about all this is to have somebody from that side roll out the demographics, roll out the statistical data, to tell us it is a 6.3 per cent reduction crime and then a 4.9 per cent. One of the national parole people phoned me one day.

Madam Speaker, the hon. member had five minutes. Surely I can get—

The Acting Speaker (Mrs. Maheu): I am sure the hon. member realizes that the debate time is 10 minutes and questions and comments are 5 minutes. You have 30 seconds left.

Mr. White (Fraser Valley West): Madam Speaker, I would ask the House, if this member gets five minutes—

The Acting Speaker (Mrs. Maheu): The hon. member for Durham had four minutes. You have been speaking for 30 seconds and you have 30 seconds left.

Mr. White (Fraser Valley West): Thanks a lot. When I get calls from the parole board saying that we have an 87 per cent success rate, I say that is nice, it has a 13 per cent failure rate. They had better think about this over there. It is the 13 per cent who are coming through the doors. It is the 13 per cent plus their families who are worried—

The Acting Speaker (Mrs. Maheu): Resuming debate, the hon. Parliamentary Secretary to the Minister of Justice.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, I will be sharing my time with the hon. member for Brandon—Souris.

• (1540)

The hon. member for Fraser Valley West has made some interesting allegations which I do not think are quite fair. The government has done a great deal in the areas the member mentioned with respect to victim impact statements. Recent amendments to the Young Offenders Act require victim impact statements. Under section 745, statements from victims are permitted and encouraged. The judges are to request statements from not only the victims or the families of the victims in this case but friends and neighbours of the victims.

The parole board now has to seek out statements from victims. It must give victims an indication of when someone is to be released who may endanger that person. That was not the case before but it has recently been the case. To my knowledge it is being implemented by the parole board.

There are improvements being made, in particular in the areas the member mentioned.

The assertion that there has been no attention paid to the role of victims is not quite fair. I wonder whether this assertion is not based on confusion about the purposes and principles being applied in criminal justice interventions.

Surprisingly, until recently no such statement existed in the Criminal Code. This situation was at odds with the degree of attention that we pay in Parliament to matters relating to tax, international trade and unemployment insurance. It is at the stage of sentencing that the criminal justice system most consciously and visibly expresses its denunciation of behaviour; its attempts to deter or incapacitate people from further wrongdo-

ing or when it orders reparation or redress for harm done or sets in place measures to bring about the rehabilitation of offenders.

Parliament's role to date in this process has been too often limited to setting maximum penalties for specific offences rather than dealing with the policy objectives of the sentencing process. It was clearly time Parliament put its collective mind to describing the kind of criminal justice system it wants to forge for Canadians.

This occasion was given to us in the sentencing bill, Bill C–41, introduced by the Minister of Justice. Of all the representation we receive, the most heart rending, as all members would agree, is the representation from victims. Victims of crimes often feel their immediate emotional, financial and physical needs are not being addressed.

The criminal justice system may appear at times to be overly concerned about the court process and the punishment of the offender and insufficiently concerned about victim needs.

Parliament has had the opportunity in this session to debate an important bill touching several aspects of the way victims are treated within the criminal justice system. With the sentencing bill, Bill C–41, Parliament had for the first time an opportunity to address the purpose and principles of criminal sentencing. The bill brought together the purpose and principles of sentencing, procedure and evidence and the various sanctions the courts may impose in a form that represents the collective view of Parliament and which touches on many issues of vital importance to victims.

Let me give some examples. Bill C–41, recently passed in the House, specifies that if an offence is motivated by bias, prejudice or hate it will be considered an aggravating factor in sentencing. The statement specifies that if an offence was motivated by bias, prejudice or hate based on race, national or ethnic origin, language, colour, religion, sex, age, mental or physical disability, sexual orientation or other similar factor, the court shall consider that the motivation be an aggravating factor.

• (1545)

Numerous recommendations have been made respecting breach of trust for offences involving violence against women and other vulnerable persons, including children.

A 1993 survey by Statistics Canada demonstrated that almost one–half of women reported experiencing violence during their lifetime by men known to them. In too many cases positions of trust were exploited, for example by parents against their children or by a physician against his or her patient.

In 1984 the Badgley committee called for the protection of children from persons they already know and may trust. Bill C–41 states that where there is evidence that the offender in committing an offence abused a position of trust or authority in relation to the victim, it shall also be considered an aggravating factor in sentencing.

All these changes respond to concerns raised by community groups, victims, and others about hate motivated violence and the plight of victims.

Bill C–41 took other important steps. The statement of purpose and principles specifically indicates that objectives for sentencing include the provision of reparations for harm done to victims or to the community and the promotion of a sense of responsibility in offenders in acknowledgement of the harm to victims and to the community. It goes further. Specific provision is made to ensure that any information provided by victims is considered during hearings held under section 745 of the Criminal Code.

A new set of measures respecting restitution, developed co–operatively with the federal government and our provincial colleagues, is set out in the bill. A priority for restitution is set out in the bill. If a court finds it appropriate to award both a fine and restitution, the priority shall go to restitution.

The House added a provision as well respecting restitution, stating that in the case of bodily harm or threat of bodily harm to an offender's spouse or child, the court may order restitution for expenses incurred by that person as a result of moving out of the offender's household, as well as for temporary housing, food, child care and transportation. Provision is made to ensure that restitution orders can be enforced by the civil courts.

The Criminal Code will specifically state that any restitution ordered by a criminal court will not limit the victim's right to sue for damages in the civil court.

The House of Commons participated in an important debate involving the status of victims in the criminal justice system. Significant changes were brought to our criminal law, aimed at improving the situations of victims in the system. The government and the House are concerned about victims and have demonstrated that concrete action at the legislative level is a priority of the government.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, we have difficulty trying to relate to the government that the legislation it plays with is not a full implementation of what is necessary.

For example, when the Young Offenders Act was changed in the House we said all along that the government was not changing the law to suit the real world out there. We wanted to change a number of issues. That did not happen. Many of the victims rights groups out there said time and time again that the government was too soft on its legislation. Yet government members stand in the House, as my colleague did just now, and say they are working on it and it is coming along.

• (1550)

This has been a long time in happening. I will give some idea of the frustration that abounds. For instance, when we debated Bill C–45 we asked for the some issues to be addressed. My colleague from Wild Rose and I put a number of motions to the House that day. One of the motions would have provided for compensation to victims of crime and for medical treatment for victims of sexual assault to be paid by the perpetrator. That was voted against and defeated by the government. We also asked that there be no provision for statutory release for violent offenders, and that was defeated.

The government might ask what violent offenders have to do with victims rights. This has a lot to do with victims rights. Dwayne Johnston is a good case in my town. In The Pas, Manitoba, he was convicted for stabbing a 17–year old lady 56 times. He was sentenced to life, with eligibility for parole in 10 years. It is six and a half years later, and guess whose community he is in. Mine.

We are asking the government to carefully consider a lot of tough legislation that has to be put in place. It should not stand in the House of Commons and say that it is working on it or or that it has come 20 per cent of the way, that life is long and that it has a long time to do this. That is not what we are asking about. The government has to take the bull by the horns and deal with it.

We asked to ensure that criminals serve their full sentence if conditional release is revoked or suspended. If they are doing time, get out on parole and commit another offence, it is revoked; they do their full time. That was turned down by the government.

I do not think those are unreasonable requests. Yet time and time again in the House we hear that there cannot be an agreement between Liberals and Reformers because we are on the tough side of it and the government is on the liberal side of it.

The people who really count when we are asking for victims rights are the victims and the non–victims out in our Canadian society, the potential victims. Those are the people we must look after today.

I have had several discussions with private companies that build and operate prisons, and it is no coincidence that they are moving into Canada. They are doing that successfully. The reason is the confidence has gone in the government.

Why can the government not take another step forward, get tougher on these laws and not stop with this point of view in the legislation?

Mr. MacLellan: Madam Speaker, the hon. member says he does not want to hear about things the government is working on.

Mr. White (Fraser Valley West): I did not say that.

The Acting Speaker (Mrs. Maheu): I ask that responses be addressed through the Chair.

Mr. MacLellan: We have to be able to say what we are working on. It is important that as part of the answer it be perceived that the government is working toward further solutions. A lot of the areas relate to provincial jurisdiction such as maintenance orders and matters of family law.

Also, we have done things with regard to the Young Offenders Act. We have said that with respect to young offenders we are making more information available. We have said there will be access to victims and they can present statements. We have said that we will allow people to use information from criminal cases in civil cases. We have done an awful lot, and the member should recognize that.

• (1555)

Mr. Glen McKinnon (Brandon—Souris, Lib.): Madam Speaker, I have found the exchange very interesting this afternoon. Like other members, I have been working with young people all my working life. I sense that this is very pertinent in terms of where we are now, where we are going and where we have been.

I had the privilege of attending the conference in Cairo in May of this year on the treatment of prisoners. This brought together 143 countries from around the globe, representing all cultures and all components of society. The feeling I came away with, and which was articulated directly by some European countries, was that they expect to have no prisons in due course. They are working toward that objective in terms of treatment of offenders. They are putting in place other strategies. They sense and we agree that there will be resulting benefits. I am sure the articulation by the justice department and my colleague will also do that.

We have some pilot projects taking place in the country right now. In Manitoba there is a victim services program, which commenced about five years ago. It offers assistance, psychological and in some cases financial. More important, it offers counselling services for people who have been victimized by various parties in society.

I do not subscribe to the lock them up and throw away the key approach, as some members do, in pursuit of increasing public safety. This is more likely to increase public risk when prisoners finish their sentences and return to the community. Evidence from the United States in those states that have instituted very simplistic and punitive based treatment such as California shows there was a rise in crime rate, not a decrease. I suggest to parties that subscribe to those views that maybe there should be a re–examination of the data as well.

My colleague from Durham put forward statistics in terms of the drop in crime rate. I think the information he provided to the House is very accurate. I too have viewed those stats.

The hon. member's concern for victims of crime is admirable, but I must say that I find the phrasing of the motion a bit unclear. He suggests that more needs to be done to protect the rights of the victim. He goes on to imply that one way to achieve this protection is to diminish the rights of the offender. There are several problems with this assertion.

We should ask whether there is a necessary trade–off between competing rights. Is justice better served by somehow reducing the rights of an accused person? The motion does not specify where rights are objectionable. The emergence of the victims rights movement in Canada is one of the most important criminal justice trends we have seen in the last 20 years. Yet I doubt that any victims organizations in Canada would advocate eliminating the right of an accused to a fair trial, the right to due process, the protection of habeas corpus or the protection of an accused against self–incrimination. Do I need to remind the House that there are rights guaranteed to all Canadians under sections 7, 10 and 11 of the charter of rights and freedoms?

• (1600)

I will not dwell on the matter of comparing the rights of the accused to the rights of the victim, but I do suggest that the motion misses the mark. I believe a more constructive approach, simply put, is to determine where and how the victim should be involved in the criminal justice process. The concept we should embrace is access to justice for the victim.

At what point in the criminal justice process does the victim deserve to have input? Should the victim have input into the police investigation, to the trial of the accused, at the sentencing stage or later at the parole decision making stage and finally when the offender is released from custody?

If we can provide the victim or the victim's family with the appropriate access to the criminal process in a timely fashion then maybe we can be a little less concerned about who has more rights.

Let us examine the progress that was made over the last two decades both in terms of the general recognition of the needs of victims and specific measures.

Much of the policy and the programs dealing with victims derived from a report by a federal task force on justice for victims of crime in the early 1980s which offered 79 recommendations to both levels of government for improving social, criminal justice and health responses to victims of crime.

In 1985 Canada co–sponsored the UN Declaration of Basic Principles of Justice for Victims of Crime. This document soon became the basis for a unique Canadian statement of principles. This statement was endorsed by the federal government and the provinces and territories in 1988. It has provided a reference point for provinces to develop their own policy and legislation on victim's rights and most jurisdictions now have victims oriented legislation. It is important to note the provincial perspective since the provinces' responsibility for the administration of justice means that all access to justice issues are under federal control.

Progress continued during the 1980s and in 1988, Parliament passed Bill C–89 which amended the Criminal Code in several relevant areas. For example, the code now provides for protection of the identity of the victims and witnesses of sexual offences and extortion offences. The law also makes it easier for victims of property crimes to prove ownership and the value of stolen goods.

Perhaps most important, the law now provides for victim impact statements. Section 735 permits provinces to determine the form for victim impact statements in their jurisdiction. In effect, this provision creates flexibility by allowing police based victim witness service programs to generate victim impact statements or alternatively crown or court based services as appropriate.

In my view the victim impact statement is a crucial element in sentencing. It is appropriate that the Criminal Code not only provides for such formal statements but allows the court to consider any other evidence concerning any victim of the offence for the purpose of determining sentence.

The motion argues that there has been little recent progress in advancing victims rights. I would conclude the opposite. Bill C–41 passed recently by the House contains an amendment to the Criminal Code stating that the court shall consider the victim impact statement. This mandatory requirement consolidates the role of the victim impact statement in the sentencing process.

While we are on the subject, please note that the victim in this context is broadly defined so that where the victim himself or herself is deceased, any relative of that person or anyone who in law or in fact is responsible for the custody of that person, or for his or her care or support of that person can present the victim impact statement and it will be considered. This is a significant improvement.

There are other measures in Bill C–41 that will benefit victims and keep the focus and the impact of the crime on the victim. The new section 726.2 requires a court when imposing a sentence to state the terms of the sentence and the reasons for it and to enter those terms and reasons in the sentence.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, does the hon. member receive any letters from victims across the country asking for improvements to the system? I would like to know how many he receives. We have about 500,000 now in storage ready to pass on to the Minister of Justice. They are all crying for changes to make things better.

• (1605)

Is the member aware of a 2.5 million signature petition calling for a pile of different changes? Is the member aware of the hundreds and hundreds of other petitions around calling for these changes?

Last, but not least, is he aware that there are literally thousands of people who belong to victims' organizations? Do you know why they exist, Madam Speaker? Because this government is not doing anything. All those people would like to go home, go back to work, get back to a normal life, including the Carpenters of the Carpenter group, the Stu Garriochs of Calgary and the FACT group, the people from the CRY group in Vancouver, the CAVEAT people from all across the land. They are trying to lead normal lives and they cannot because they are victims. They are joining together trying to get some changes.

They are trying to get changes to this warm, fuzzy little Criminal Code that was invented by the Liberals and they have not changed a thing.

Is the hon. member aware of these things? If he is, for heaven's sake why do the Liberals not wake up and do something?

Mr. McKinnon: Madam Speaker, I will respond in this fashion. The approach of the government has been to take under advisement the recommendations that are forthcoming from various groups.

It is a very important process to get that information to the attention of the government. I would think, as my colleague mentioned in his speech, that it is the most heart rending experience as a member of the House to hear some of the concerns that have been raised by these groups.

Let us not cherry pick and only look at the extreme circumstances. I am not alleging that the member is doing that but there are those who look only at the worst case scenario and use that as the reason for passing extreme kinds of legislation.

We have to look at both sides of the issue and the government is doing that.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, the member opposite in his presentation referred to the idea of finding forms of punishment other than jail to act as a deterrent. He said he is not in favour of this throw away the key approach to the jail system. Reformers are not either.

Reformers have presented ideas that would replace using imprisonment as a deterrent. We have presented many different concepts. Unfortunately I have not seen any of these ideas being picked up by the Liberal Party.

Some of the ideas we have presented are boot camps, public service, which is being used, corporal punishment as a possibility, capital punishment which can act as a deterrent and certainly will prevent an individual from murdering again. These are just some of the things that we have proposed.

We have proposed paying restitution to victims. We have proposed requiring the person who has committed the offence to pay restitution to the victim as a deterrent. None of these have been picked up by the government.

I ask the member for one example of legislation presented by the government which has put in place a deterrent other than jail so that we do not have to have this throw away the key approach to dealing with prisoners.

The Acting Speaker (Mrs. Maheu): I am sorry, but time has just about expired.

Mr. McKinnon: I will be equally brief, Madam Speaker.

It would be out of my league to give a long list of things. I will give one example. I am only going back to my high school principal days where we actually had to bring together the victim and the perpetrator, going eyeball to eyeball. It was necessary for that to take place in our community with youth victims.

• (1610)

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Madam Speaker, I wish to inform the Chair that I will be sharing my time with the member for Québec.

The Reform Party's motion borders on the ridiculous. I am no longer surprised by their manipulation of public opinion. It is pure and simple demagoguery. We have reached a point where their endless interventions are beginning to get on our nerves.

An hon. member: Sit down.

Mrs. Venne: It is not clear exactly what they want. I am being asked to sit down, but I have no intention of doing so.

Does the Reform Party want to change criminal law and the Criminal Code? Do they want to change the powers of the Minister of Justice, of judges or lawyers? Are they unhappy with judicial proceedings? Do they want to do away with the presumption of innocence? What is their intent? I do not know.

I would, however, like to draw attention to the Reformers' approach. While I do not disagree with parts of their motion, I am, however, flabbergasted at the back room scheming of the third party. The third party, I repeat. It is important to mention this, because the motion we were to debate is not the one before us today.

The Reform Party, or should I say, the Opportunity Party, wanted to table a motion, not on victims' rights, but on their own status in the House. We are already well aware of the ambitions of the member for Calgary Southwest, who wants to become leader of the opposition even before the Leader of the Opposition has left.

[*English*]

Mr. Silye: Madam Speaker, I rise on a point of order. Where is the relevance at this point? We are debating victims rights.

The Acting Speaker (Mrs. Maheu): That is a point of debate, sir.

[*Translation*]

Mrs. Venne: So, Madam Speaker, I continue by saying to you that we have reached the height of hypocrisy. At the last minute, and because of the fact that our leader has not resigned his position, the Reform Party stopped talking about political opportunism and started talking about victims of criminal acts. That takes some nerve. How can we trust a party that is concerned about victims only when its political manoeuvrings do not succeed?

The Reformers often set themselves up as defenders of the weak and of the oppressed when it suits them to do so or, as in this case, when they have no choice. Their chivalry will always depend on how much air time they can get with it. Let us not forget the attitude of the Inquisition Party in the matter of gun control. When the time came to systematically obstruct proceedings both in the House and on the justice committee, the Lancelots of the west became the defenders of native rights.

They contended that they could simply not support a bill that might trample native rights or contravene ancestral treaties. If they think we do not see through their little game, they better think again. We can see them coming a mile off. Today they are proposing a motion on victims' rights, when, not so long ago, they opposed a bill to protect victims.

If they want to talk about victims, let them talk about those who succumb to wounds inflicted by firearms. How can they promote the rights of victims and ignore those who die from gun shot wounds? The statistics on deaths caused by firearms are staggering. In 1991, suicides made up 77 per cent of the 1,445 deaths attributable to firearms. Of the 732 homicides recorded in Canada in 1992, 246, or 34 per cent, were committed with a firearm.

• (1615)

In the last ten years, the majority of homicides were committed with shotguns or rifles. Three times out of four, the woman murdered by her spouse was killed with a shotgun or a rifle.

From 1990 to 1992, in Quebec, 1,293 deaths were attributed to gun shots, an average of 425 deaths annually. Still in Quebec, three deaths out a four that are caused by a firearm are suicides, for a total of about 300 suicides each year. These statistics cannot be ignored.

If Reform members want to talk about victims, they should talk about the ones I just mentioned. If not, they should keep quiet instead of talking nonsense. These far right hypocrites are here only to make political gains. Every chance they get, they tear off their shirts in public in order to attract attention and stand in the limelight.

They should try to emulate the Bloc Quebecois, this mosaic of ideas and talents that, for more than two years, has been fulfilling the double mandate that Quebec voters gave it, that is, to promote Quebec's sovereignty and to act as the official opposition of a government that never stops insulting the intelligence of Quebeckers and their legitimate representatives.

While Reform members are revelling in political fiction, we, the Bloc members, are getting ready to pursue the goals that we set for ourselves five years ago, that is, to consolidate our political strength in Ottawa, around Quebec's interests alone, in order to dispel any ambiguity and to support Quebec's march towards sovereignty.

The motion put forward by the Reform Party invites us to condemn the government for two reasons: first, because it supposedly failed to make progress in reforming the criminal justice system in general; and second, because its criminal legislation allegedly favours the rights of the criminal over those of the victim.

What I find shocking is that this motion is a perfect example of disinformation. This is a good way to exploit public resentment. The motion before us simply reflects the nightmares of an extreme right cut off from reality.

This motion is a mishmash of reactionary preconceived notions. They might as well blame the government for winter arriving a little early this year.

According to the third party, the whole criminal justice system should be reformed. Does the Reform Party at least know how? Does it have any alternatives to offer? We all have complaints about the justice system, of course. It is one thing to say that it is flawed; it is another to state that the whole system must be reformed without proposing any alternatives.

As everyone knows, I have always fought for the rights and protection of victims. I have already suggested to the House that victims should be given a much greater role in our judicial proceedings. I have already submitted that the victims should be represented by lawyers, produce their own witnesses, examine and cross–examine crown and defence witnesses, plead on the evidence, suggest sentences or participate in negotiations; in

short, they should take part in the whole judicial process and even be allowed to appeal any ruling.

That is an alternative. Those are concrete solutions. We must start thinking about this and come up with serious proposals instead of a botched motion that amounts to a vague criticism of the whole justice system and the supporting legislation.

• (1620)

[*English*]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, I thank my colleague from Saint–Hubert for her excellent remarks. I appreciate the support she shows for the government in this debate.

I would like to ask her a question which pertains to her remarks about sovereignty, the role of the Bloc and the direction in which her party is going.

In the context of sovereignty and in the context of the motion before the House, in her attitude toward sovereignty, would she recommend that individuals born in Quebec who commit major crimes be incarcerated only in Quebec or should they be put in jails across the country? Is it a federal thing or a separatist thing for her, the incarceration of prisoners who are born in Quebec?

[*Translation*]

Mrs. Venne: Madam Speaker, I wonder if the hon. member is serious in asking me that, but I will answer any way, because his concern seems genuine.

There is no doubt that, upon achieving sovereignty, Quebec will look after its prison population, like any sovereign country. Quebec, as a sovereign country, is not different in that respect from any other sovereign country.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, I listened to the remarks made by the hon. member for Saint–Hubert. I shall set the sovereignty issue aside, since, as can be expected, we disagree on that point.

I wonder if she would not agree with me that it is somewhat ironic that the Reform Party would come and talk to us about victims and whatnot on the very day when a gun control bill is being debated, and perhaps voted on in just a few hours in the other place—to use correct parliamentary terminology and to be in order—that they would raise this issue today, knowing full well how many victims guns have made, not only in our country but also south of our border, where, admittedly, there is hardly any gun legislation.

Is it not— how could I put this, again, in parliamentary terms? —less than honest on the part of the hon. members of the Reform Party to address this whole issue of victims of violence without mentioning that they are the ones who moved and continue to move heaven and earth to prevent the establishment of gun control across Canada until now and who lobbied certain Conservative members of the other place about this?

Mrs. Venne: Madam Speaker, of course I agree with what the hon. member for Glengarry—Prescott—Russell is saying, because that was precisely my point.

Of course, any discussion about victims must include victims of shootings. And of course, the Reform Party completely ignores them. I also agree that, soon, in less than an hour in fact, the other place will be voting on Bill C–68.

I will go and see how the matter is settled in the other place and I hope that it will not have to be debated all over again in this House. As far as we are concerned, I think that it is clear that every conceivable concession and compromise has been made, ultimately leading to the passage of Bill C–68. I hope that the bill will come back unchanged and that there will be no need to consider it again.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, it was very interesting to listen to the comments of the hon. member for Saint–Hubert.

She touched very briefly on the rights of native communities. I was wondering if she would reflect on the rights of the Inuit people who reside within the province of Quebec. Does she believe they have the right to self–determination? Does she similarly believe that they could also be a nation within the definition of that word? Do they have the right to secede?

The Acting Speaker (Mrs. Maheu): I strongly question the relevancy of those questions to the motion we are debating.

• (1625)

[*Translation*]

Mrs. Venne: You are quite right, Madam Speaker, this question has nothing to do with the matter at hand.

I would like to point out to the hon. member that, when I mentioned aboriginal people earlier, it was in reference to the position the Reform Party had taken, again, during the gun control debate. I simply made a reference to them earlier.

As for the question per se, I think it might be answered in a different setting.

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, although I find the motion proposed today farfetched and not really in line with the Reform Party's position on firearms, it does at least afford us the opportunity to address and reflect upon a significant social problem: victims.

Where there is a victim there is usually crime, violence, or at the least a socially unacceptable act. People can also be victims of unfair policies, stifling economic situations, unattainable job markets.

Societal values and our attitude towards the way people treat each other are changing. Today's definition of "victim" therefore differs considerably from what it was, say, fifty years ago.

I shall speak particularly of women as victims, since women are my primary concern, given my portfolio as status of women critic.

This morning I leafed through a most interesting book, the *Traité des problèmes sociaux*. This treatise, published under the direction of a number of eminent Quebec academics, covers a multitude of topics related to our society. Looking through the table of contents, I was struck by the innumerable types of victims there can be within a society.

Among the subjects covered were: occupational diseases, mental illness, alcoholism and other addictions, STDs and AIDS, crime, prostitution, pornography, poverty, unemployment, racism, homelessness—and these are but a few of the topics in the *Traité des problèmes sociaux.*

You can see then, and this is what I wanted to talk about, the unbelievable number of social and personal situations that can "create" victims, if we can use that verb here.

Of course, women are not the only victims of poverty, unemployment, racism. They are, however, most often the victims of domestic violence, prostitution and pornography. The victims of certain problems are almost always women, because of their gender, along with children.

Moreover, problems related to unemployment, illiteracy and poverty affect women differently, because of their family responsibilities and society's perception of their role within it.

Even governments are not immune to prejudice. We need only think of this government trying to calculate benefits paid to women based on family income. This is the best example of the victimization of women because of their role within the family.

As for the notion of victim, Denise Lemieux traces its evolution, in the context of spousal abuse. She writes, in the above–mentioned text: "What stands out, if you look at this over several centuries, is the major attitudinal and legislative change regarding wife beating. Tolerated in the seventeenth century, sometimes even glorified by the popular culture of the time as a manly thing, and by the law and the religion of the time as a paternalistic punishment for the wife, children and servants, violent behaviour gradually became a reprehensible thing, as principles of democratic government began to spread".

Principles of democratic government. So, there seems to be a connection between the principles of government and the concept of victim. This is interesting. One such principle, affirmed by the Canadian and Quebec charters, provides that men and women have equal rights.

• (1630)

When equality is denied, whether because a man beats his wife, or because a government pays smaller benefits to a woman than to a man, that woman becomes a victim. When a government tolerates the fact that members of its army organize parties to celebrate the killing of 14 young women, all women become victims.

So, the concept of victim is related to a certain vision of society. Everywhere, our governments have officially proclaimed a vision of society in which women have the same rights as men. We will have to recognize that women are victims whenever equality is not respected, whether in the family home, or in the policies and practices of the government.

Those in power will also have to concentrate their energies on eliminating the inequalities between men and women. Our aim is to have fewer and fewer victims or none at all.

Until then, our efforts must go to re–establishing a balance between victims and those responsible for situations creating victims, at whatever level.

Let us go for openmindedness, and let us make sure, as leaders, that we provide our young people with positive role models. Let us work to provide women with equal opportunities in all settings. Let us eliminate social, economic and political inequality between men and women. Let us make men understand that discriminatory behaviour is completely unacceptable—at work, at home, in associations, in the courts of justice and in government offices.

Let us put our fine words into practice. This is surely one way to ensure victims' fundamental and democratic right to equality and quality of life without violence.

[*English*]

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I am pleased to have a chance to speak on this issue. I am certainly pleased that the warm and fuzzy questions asked by the Liberals to the warm and fuzzy Bloc members regarding law and order are over with. That was difficult to take.

I would like to quote a few statistics I have picked up with regard to what the hon. member from the Liberal Party stated a while ago. I am going back to 1984. The rate of violent crime since 1984 has increased 49 per cent. The rate of sexual assault has increased 8 per cent annually since 1984. Assaults accounted for six out of ten reported violent incidents in 1994.

Consider that since 1984 when the Young Offenders Act was introduced, crime has gone up by 140 per cent. Members over there stand on their feet and tell us how much better it is getting because the crime rate went down 3.2 per cent or 5.9 per cent or whatever from one year to the next. It is not getting better. There are a number of incidents we could talk about which reflect this.

When will we in the House realize there are victims? Guns do not make victims; killers make victims, in case members opposite have forgotten.

The people who were victimized close to Montreal recently by young offenders with ball bats provide an example as do George and Tom Ambas from Scarborough, Ontario, who lost a brother in their store to young offenders with knives. We do not need to talk about what weapon is used. We need to talk about the fact that there are victims because of killers.

• (1635)

In the Reform amendments to the legislation we attempted to incorporate those things that were suggested to us by victims through their petitions and letters. We listened to Canadians and we tried to put their wishes into the criminal agenda through our motions.

For example, we tried to get Bill C–45 amended which would allow victims to be paid out of inmate funds. There would be mandatory restitution. All of the things we put in were geared toward improving things for the victim. Not one member in the House voted for those amendments, except for Reform Party members. All the Liberals said no and all the Bloc said no to things like mandatory restitution. We were trying to do something that would make it a little easier for the victims.

A lady in my riding was raped. She is a former student where I taught. The perpetrator was identified by her, picked up at breakfast and was out on bail by noon. Is living in fear following that rape fair to the victim, knowing that the perpetrator is still on the loose? If we arrest violent offenders, surely we can keep them in jail. Why would a victim stand up and cheer any system that would let the perpetrator out only a few hours after the crime? Somebody explain that to me.

In the case of Ann Marie Bloskie, her killer made lots of advances toward her and she always refused. Her killer tried to force her into sex. When she fought back he crushed her skull with a rock and then he sexually assaulted her. He went home and slept. The next day he returned and further abused the body. Then he buried her.

This killer loved violent, sexually explicit porno videos. He showed no remorse for the crime. He had deep seated psychological problems that would require life long treatment, said the psychiatrist. This crime happened just a few weeks short of his 18th birthday, so the judge said it was in the best interests of the murderer to be tried under the Young Offenders Act. There was no mention of the victim, no mention of the family.

Her killer is now nameless. He is now walking the streets because all he got for that crime was three years. After three years he is back on the streets but nobody knows for sure who he is. The parents of the victim were not notified that the killer was released.

Fixing those problems is the kind of thing that makes plain, ordinary common sense. That is what is on the agenda of Canadians. It is on the Reform agenda because it is what Canadians want.

Why is having a binding referendum for capital punishment on the Reform agenda? Because it is on the agenda of Canadians. That is why. In polls all across the land, 70 per cent of the people have indicated that is what they want. If it is on their agenda, it is on the Reform agenda. It is too bad the Liberals do not listen to the people in their ridings.

Things get worse. We talk about victims. I really get worried and upset when I see some of the things that have been produced by the government. I know some Liberals were visited this very day by a group who are quite concerned that there is an organization putting pamphlets in the schools which promote anal sex as a method of reducing violence and pregnancy. I looked at the little booklets and guess who prints them and pays for them? The taxpayers of Canada pay for them, compliments of this government's health department.

• (1640)

Members sit over there and laugh. I hope they laugh when their grandchildren come home with this kind of garbage. I hope they can laugh then. I cannot laugh when this happens and I will not laugh. I think it is ridiculous and it is a shame. They know it is happening. They see it happening. It is being printed by the Canadian health department. If members have any doubts, they can come on over and I will show them.

Those are the kinds of things Canadians are telling their MPs. They do not want it because it is creating more victims and causing problems. I do not want it either but if we try to do something about it, those on the other side are overcome with warm, fuzzy feelings. It is always the criminal, the criminal, the criminal.

I cannot believe that grown men and women would allow those kinds of things to happen. I cannot believe that a colleague of mine, who taught in a school just as I did, would find that an acceptable piece of junk to come into the building. I know he would not.

The trouble is that the justice system is absolutely not addressing anything which is causing victims more grief. They could do it if they wanted to.

Christine Silverberg, the Calgary chief of police, has written: "Dangerous violent criminals should never be released". I agree. "There should be a victims bill of rights". I agree. "Victims are the most neglected group in the legal system from beginning to end". I agree. "Victims should be involved in every government decision dealing with their assailants". I also agree with that.

When will government members wake up and listen to the people of Canada, listen to what the petitioners are saying and listen to what their letters state which I know they all receive?

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Madam Speaker, I would like to indicate to the hon. member that the constituents of Winnipeg North in addressing this issue have not only called to tell us about their concerns for safety in their homes and on the streets but they have also shared solutions.

One of the important things my constituents have told me is that we should address the fundamental causes of crime. That is just like preventive medicine. Unless we address the root causes of crime we may not totally address the issue.

I am proud to say that in my constituency of Winnipeg North the MLA for The Maples in my riding has now established the Maples Youth Justice Committee. The MLA for Inkster has established a similar organization, as has the MLA for Kildonan. I have met with all of them.

What specific initiative has the member taken in his own riding to address the root causes of crime? Does the Reform Party acknowledge that prisoners week is an international religious event that includes victims, families and communities as it addresses the issues of the victims and the prisoners? Does the Reform Party not acknowledge that the victims of the misuse of firearms, for example the relatives of the victims of the massacre in Montreal, were correct in asking for gun control? If that is so, where does the member's party stand on this issue?

Mr. Thompson: Madam Speaker, I object to any kind of a week that is named prisoners week. If this week was intended to honour victims then it certainly is not named right. The first thing I thought of when I heard we were having national prisoner's week is good old Clifford Olson, good old Karla Homolka and good old Paul Bernado. That is exactly what crossed the mind of most people in my riding when they phoned me and said: "What in the devil is prisoner's week?" I said: "I do not have any idea at all. I just heard it was announced". They do not have brains enough to at least name it right.

• (1645)

Now they are going to defend it by saying that what they really meant was this and that and so on, but it sure did not come out that way. If you are to have something besides honouring those kinds of individuals then say so and name it properly.

Let us go to the second question. You must have not been listening, sir, when I told you about these pamphlets that are getting into—

The Acting Speaker (Mrs. Maheu): Address your questions through the Chair, please.

Mr. Thompson: I am sorry, Madam Speaker. The hon. member must not have been paying much attention. I have been asked by the people who have brought all these materials to me to question the government as to why the health department is funding those kinds of documents that lead to nothing but trouble, that lead to crime. A root cause. It is called morals, dealing with the morals.

When you bring it to the government, it tries to defend it. If it can defend it, that would be one thing, but it cannot. It has had its opportunities to defend it and it cannot. Even backbenchers would not support some of the garbage that was going on. Of course they get punished for that. That is the rule over there: listen to the boys on the front line. They do not have enough guts to stand up on the back row and take their own stand.

I do not want to get into this great gun debate once again. We have gone through that so much. Guns are no different from any other weapon. They cause problems. The victims are victims regardless of why or how. If any member could show me that the registration of a gun will save a life at the hands of a criminal, I might support it. I do not think anyone can show me.

Mrs. Diane Ablonczy (Calgary North, Ref.): Madam Speaker, the debate today, for Canadians who are following it, is on an opposition day motion. This is a day when an opposition party has an opportunity to set the agenda for debate in the House. Reform has introduced for debate today a motion first of all to discuss the lack of progress being made in reforming the criminal justice system. Second, we refer in our motion to another opposition day motion we had about a year and a half ago on the same topic:

> That this House condemn the government for its inaction with regard to the reform of the criminal justice system, in particular its allowance of the rights of criminals to supersede those of victims.

Here we are again a year and a half later with the same concerns. As we heard from my colleague who just spoke, these are very strong, serious concerns. These are not matters we take lightly. They are matters we keep hearing from our constituents and other members of the public that they want to see dealt with. They are saying the government is not dealing with them.

A year and a half ago we urged the government in debate, which we were able to introduce, to do something. A year and a half later we are making the same request, the same appeal to government. You wonder why.

In our motion we urged the government to do two things. One is to introduce measures right now to ensure the rights of the victim are protected and supersede the rights of the criminals. We are also asking the government to change the name of this week, November 19 to 26, from prisoners week to victims rights week.

• (1650)

Reform's position is very simple. We say the whole priority of the criminal justice system should be the protection of the lives and property of law–abiding citizens and that should come ahead of the protection of the rights of criminals.

The state exists to protect the lives and property of citizens. That is the reason we organize. That is the reason we have institutions of society, so we can live in a civilized manner and can respect each other's rights, respect each other's safety and each other's lives.

If we are to do that as a state, we have to make law breakers afraid of breaking the laws and afraid of what will happen if they violate the rights of other people. It would not be too strong to say that one of the main purposes of having an organized society and an organized government is to make law breakers afraid, to bring fear of law breaking into our society.

We have to ask ourselves does our society make law breakers afraid? I do not think there are very many Canadians who would answer that question in the affirmative. We have had many examples brought up in the House over the last several months. Law breakers commit horrendous crimes and are right back out on the street living a normal life while the victims and their families have torment, grief, upset, pain and agony. Yet criminals and law breakers have every protection, every consideration, every possible assistance and comfort extended to them.

Our whole society, our whole approach to the criminal justice system in this regard is totally on its head. That is why we have the strong concerns of Canadians continually being brought forward in this whole area.

What does the government say? What is it doing about the situation? The justice minister is saying all the right things. He is saying yes, we are going to protect victims; yes, we are changing and toughening up the justice system; yes, we want the public's confidence in the justice system.

These are all well and good, but here we have a minister who has had over two years now to do some concrete, strong, forceful, vigorous things to rectify this situation and instead is taking timid, weak, ineffectual baby steps in correcting a situation causing continual concern and grave frustration to our citizens.

The second thing we have seen the government do is get really tough with law–abiding citizens. If they do not register their firearms, they will be in big trouble, they will have a criminal record, but nothing is being done about these weapons which can be obtained illegally and quickly by any law breaker in the country.

We have done so little to make them afraid to do that. We put the fear of God into the law–abiding citizens, who did not need it in the first place, and we have done nothing to ensure that law breakers cannot obtain an illegal weapon in the nearest bar in 30 minutes.

How will this protect our society? The whole philosophy of our criminal justice system is on help, sympathy and support for prisoners and law breakers. It says a lot that this is prisoners week. We have prisoners week but no victims week at all.

I was rather surprised when I read an article about women inmates decrying the lack of rehabilitation programs. A woman inmate was saying: "In two years I got nothing. Nobody listens and nobody cares. I am broken hearted. Inmates are upset with the lack of programs".

• (1655)

There is as real desire to help everyone we can in society to be the best citizens they can. When we have people who have broken the law and violated the rights of others who are outraged and incensed that they are not getting help and support, when the victims of crime are coming in a poor second, surely the attitude we are fostering is wrong. There must be a change very quickly.

I cite one other example that sums up what is wrong in our justice system. We have a convicted murderer who has sued corrections Canada and the Government of Canada for negligence in protecting him. This murderer was convicted for stabbing a 15–year old boy while trying to sexually assault him.

He sued because he was beaten up by other inmates in 1991. This year he was awarded an out of court settlement by the Government of Canada to compensate its lack of protection for him.

I contrast that with the family of a young woman who was murdered by a convicted murderer who in honour of his birthday, a wonderful day, was given a nice pass to go shopping and to enjoy himself. He had been convicted of murdering someone, but of course we do not want to be too harsh on anyone in our society and we would certainly not keep a convicted murderer from having a shopping trip on his birthday.

This convicted murderer went out on his birthday and gave himself an even better present than a shopping trip. He assaulted and killed a young woman. The system again failed to protect someone, this time an innocent young woman, not a convicted murderer.

The family of the young woman naturally made an appeal for compensation to the Government of Canada. Where has that appeal gone? For six years there has been absolutely no offer of compensation.

It is incumbent on us to get serious about turning our justice system to the protection of the citizens and innocent people.

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, one of my favourite poets is Shakespeare. One of the soliloquies from "Macbeth" talks about sound and fury signifying nothing. We have a lot to learn from Shakespeare because talk is cheap and action and hard work are the real tests.

When we talk about being concerned about victims we have to listen to victims when they come before us. This is a day when in the other place we will have a vote on gun control.

I remember as vice–chair of the justice committee the victims coming before us on gun control, the victims groups saying how badly they needed the legislation. I remember the suicide experts coming before us saying how badly this legislation was needed. I remember the women's groups coming before us saying how badly they needed this legislation. There is work to be done.

We have done work in the government. We have talked about balancing rights. We do not put one right above another when public safety is the issue, and that is the issue. It is not whom we rank in order. There is a realistic need to address the problems in society.

The party opposite thinks the way to address problems is to single out notorious, terrible events. These events are terrible and there are great losses. However, there is no ownership on caring for victims in society by any one of the parties in the House. We all care about victims in society.

The difference is that when we care, we roll up our sleeves and do some real work. We look at real facts. We voted for the legislation that puts gun control in place because the victims asked for it. We voted for the legislation on sentencing because it gives an ability for the victims to go to the courts to get compensation. We go and we get victim impact statements at hearings.

• (1700)

The Reform Party can find some little place in these pieces of legislation where they do not care about those bills and they vote them down. The victims count. CAVEAT, a national organization, met this week in Hamilton, and where did it rate the provinces that take the attitude that is closest to the third party? It rated them as a *d* in Alberta and a *d* in Ontario. Where did it rate our minister? It rated him up there because he has the fortitude to stand behind a bill that will do something for victims.

What we need to figure out here is who is really working. Who is working when we have victims of misuse of firearms? Who is working when we have victims of family violence? I remember comments on December 6 last year from the other side. It has no understanding of family abuse.

We have bills that bring sexual offenders now to the ends of their terms. We have improved the Young Offenders Act and we will do more. We take DNA evidence. They came alongside on that, and that is good. Maybe that is a real vision for the future, looking at a bill and making sure it works and helping us implement it.

The Reform Party did support the drunkenness defence bill, but today it likes to forget that we did that bill. That helps victims.

I wish I had 20 minutes, because I have a lot more to say on this issue. Behind the scenes we will do the real work and not just push the trigger buttons.

Mrs. Diane Ablonczy (Calgary North, Ref.): Madam Speaker, I am absolutely delighted to hear the passion with which the member opposite commits to helping victims. I would like to give her and her government suggestions as to what we could do to increase the rights of victims.

We could give them a right to restitution from the offender. We could give them a right to prompt return of property. These are rights they do not now have. We could give them the right to be informed of services to help them in the trauma they have experienced. We could give them the right to information and notification in a whole range of areas, which I would be very happy to supply to the member. We can give them a right to be heard by the crown and a right to be heard throughout the judicial process.

We could give them a right to privacy, a protection from unnecessary invasions of privacy; a right to refuse to be interviewed by defence counsel; a right to waiting areas in the court buildings that are separate from those used by the accused; a right to be free from intimidation; a right to have a prompt disposition of prosecutions; a right to be informed of victims' rights; a right to an explanation of their role and the scope and progress of the proceedings.

There are a whole range of areas where we can help victims in very practical ways.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, this month marks the second anniversary of the period during which it has been my privilege to serve the Prime Minister and the government as Minister of Justice. During that time there have been no experiences that have left deeper impressions on me and there has been no work that has been more important to me than those occasions on which I have met with victims of crime, spoken to family members who survive others who have died as a result of crime and heard from them about their perception of justice and the justice system.

I refer to meeting with Priscilla de Villiers, whose daughter Nina was murdered, and meeting with Chuck Cadman in Vancouver, whose son Jesse was murdered. Priscilla de Villiers reacted by creating CAVEAT, which is now a strong national organization standing for the rights of victims and drawing the attention of Canadians, including governments of all levels, to the shortcomings in the justice system. Chuck Cadman created the organization called CRY, in which thousands of people participate actively for constructive change in the justice system.

• (1705)

I have met with Rita Jervis, a woman from the Maritimes whose husband was shot and who herself was seriously injured. She survived that attack to devote her energies and her efforts to improving the justice system.

I met with the parents of the young people murdered at the McDonald's restaurant in Cape Breton. I heard from them about the tragic and everlasting sadness and suffering that is the result of that dreadful crime.

I met with Stu Garrioch and his wife in Calgary, whose son was killed in crime.

I met with Margot B, the courageous woman from Quebec who campaigned across the country for changes in the system as a result of her victimization of sexual assault.

I met with Jay Danelesko in Edmonton, whose wife Barb was murdered in the middle of the night in their home. She died in front of their children.

I met with Monica Rainey, whose own son, a toddler, was the victim of sexual molestation. She turned her energies and her extraordinary talents into efforts to create ways to protect other children from that kind of victimization.

I met with Steve Carpenter, who lost his daughter in a dreadful tragedy in British Columbia.

I met with Morris Rose, whose son died a victim of violent crime.

I met with Tom Ambus last week in Toronto, whose brother was brutally stabbed to death on the floor of Tom Ambus' store.

It is said that victims are too often forgotten, that victims are the orphans of the criminal justice system. I stand in this place today to say that those persons and all the other victims with whom I have met have left too deep and indelible an impression on this Minister of Justice ever to be forgotten as I approach the issues in my portfolio, ever to be forgotten as I bring forward proposals for change, ever to be forgotten as I work to develop the policy of the government toward criminal justice.

I shall never forget as I do my work the part they play and the part they have played, not only through the suffering they have endured through the awful loss of loved ones, but also through the way in which they have helped the police in the investigation of the crimes, how they have had the courage to testify in the prosecution of those responsible, how they have devoted their energies afterward, notwithstanding their personal pain, in efforts to improve the justice system, working constructively for change.

[*Translation*]

Since I took up my duties as Minister of Justice, we have tabled several bills aimed at improving the criminal justice system for the benefit of Canadian society as a whole and more specifically for the benefit victims of crime.

[*English*]

I believe the changes we have made have improved significantly the circumstances for victims in the Canadian system of justice. I point to Bill C–41, which for the first time sets out in the criminal law of this country in statute the principles and the purposes of sentencing, including the obligation of the criminal justice system to provide reparation to victims of crime.

Bill C–41 specifically provides that the court will consider as an aggravating circumstance that someone was victimized by reason of a breach of trust, by reason of violence by a man against a woman in a domestic context, or by reason of hatred based on the personal characteristics of the victim. They are all on the bad list.

Bill C–41 also contains changes in section 745 of the Criminal Code to ensure that the surviving family members of someone who is murdered must be heard from by the court when an application is made for permission to seek early parole under section 745.

• (1710)

Perhaps most important for present purposes, Bill C–41 also provided for much strengthened provisions for restitution. I listened to the hon. member opposite describe the urgent need for avenues of restitution for the victims of crime. Bill C–41 brought together significant improvements, which were combined in that bill to provide that from and after the date of its proclamation the courts will be empowered to order, even without the victim asking for it, appropriate restitution. The victim may take that order, register it in the courts in the same manner as a civil judgment, and it can be enforced in the same manner as a civil judgment, taking the responsibility for enforcement off the shoulders of the victim and putting it where it belongs.

In Bill C–42 the government proposed changes that are now in effect in the Criminal Code of Canada to provide that peace bonds, restraining orders made by the courts to keep threatening

persons away from their potential victims, can be made on application by police officers instead of by the potential victim himself or herself, to relieve them of that obligation, to make it that much easier for them to have that court protection.

Bill C–42 provided dozens of ways to streamline the criminal justice system for the benefit of victims, including for example those who have lost property in crime may establish ownership of the property for the purposes of the prosecution simply by swearing and filing an affidavit rather than having to take the time and trouble to appear in court personally to establish that technical proof.

In Bill C–72 we expressly provided words in the Criminal Code that will bring home the personal responsibility of those who intoxicate themselves voluntarily and then commit a crime of violence involving the general intent of harming others. The preamble of Bill C–72 is express testimony of this government's concern about and commitment to victims of crime. Bill C–72 stands as a profound and important statement from this Parliament on behalf of victims that those who intoxicate themselves voluntarily and then harm others in those circumstances will be held accountable and cannot rely upon their own self–induced drunkenness or intoxication from drugs as an excuse. That is action on behalf of victims.

In Bill C–37 the changes to the Young Offenders Act expressly provided for the first time for victim impact statements in court proceedings involving young offenders. In the second phase of that work involving the young offenders, which was commenced by the justice committee of the House this week, I expressly asked the committee to look at different approaches toward juvenile justice with specific reference to the role of the victim. I asked how we can have that act improved to more directly involve the victim through reparation, through confronting the offender, through restitution, through community work, so that people who are the victims of crime can have some sense of justice out of the process. I expressly asked the committee to work with me in designing changes to achieve those objectives. I share those objectives with the members opposite. We have the same goals in mind. I have invited them this week as members of the committee to work constructively with me toward the attainment of these goals.

In Bill C–104, which received the agreement of all parties in the House, we introduced for the first time an express provision in the Criminal Code empowering police officers to go to the courts for a warrant to obtain bodily substances for testing for DNA, important forensic evidence either to establish guilt or prove innocence. That is a step forward for victims. When combined with the further legislation the Solicitor General of Canada is preparing to establish a data bank for DNA samples of those convicted of crime, we will have available to the authorities in this country an invaluable resource to detect and ultimately pre–empt and prevent crimes of violence against victims.

When we speak of victims of crime, indeed, when we speak of violent crimes generally, it is very important to remember that 70 per cent of the victims of crime are acquainted with their assailants. The general impression that some might have that violent crime is confined to the streets where strangers lurk dangerously to assault us, is not right. The vast majority of victims know the person who attacks them. That leads to a related point.

• (1715)

An appalling percentage of crime goes on in the home and involves violence by men against women. It is to that cause, against that kind of crime, that we must also unite in our efforts and in our opposition. Violence by men against women tragically forms too large a part of the crime problem in the country. We must work through the wide variety of strategies available to combat, to reduce and ultimately to end it.

I draw the attention of hon. members to the importance, not just of legislative initiatives but to crime prevention. Because law alone, no matter how much improved by the suggestions made by hon. members, will never, ever be enough to address the problem of crime and community safety.

It cannot work in isolation because it deals with symptoms and not with causes. It becomes engaged when it is too late. The crime has been committed, someone has been harmed and the charge has been laid. Crime prevention is a strategy by which we can take community resources and energy and through linking police enforcement with the justice system, with social agencies, with families, we can do something about crime before it happens.

All across the country as I go from the west to central Canada to the maritimes, I see the energy and the commitment of communities. Instead of just wringing their hands about community safety, they are rolling up their sleeves and doing something constructive about it.

The National Crime Prevention Council created by the government in the summer of 1994 provides the national instrument by which that energy and that commitment can be brought together and focused on that important national objective.

Let it not be thought that we will make ourselves safe simply by ratcheting up the penalties and making the laws more harsh. That is only part of the approach. We must also look at the underlying causes of crime. We must recognize that preventing crime has as much to do with the strength of families as it does with the length of sentences. It has as much to do with literacy as it does with law. It has as much to do with community co–operation as it does with mandatory supervision.

No one here should think that we are serving victims if we offer them only vengeance. Victims want more than to see the offender punished. That is where hon. members of the third party, in my respectful view, fall short in their approach to this problem. More is required than simply vengeance.

If ever there was eloquent evidence of that principle, it was offered by the family of one of the victims in the Bernardo tragedy. I believe it was the Mahaffey family. When asked about capital punishment, the Mahaffey family said: "That is not our objective. That is not what we are after. What we are after is to make sure that something positive comes of this awful tragedy. What we are after is to make sure that person is put away for life in prison. What we are after is to ensure that it never happens again". That is what victims want and it is toward that constructive objective that we must work together.

A few weeks ago I spoke outside on this magnificent Hill to a rally organized by a group of victims seeking changes in the criminal justice system. I undertook on that occasion to work with them in the name of justice for changes to our laws to achieve the objectives of which I have spoken today. I intend to keep that commitment.

[*Translation*]

I said earlier that I welcomed this opportunity to respond to the motion before the House today. The government is proud of its achievements because it has a made a concerted effort to approach the problem of crime from various angles.

• (1720)

I am not suggesting that all has been said and done. But I do know that creating new crimes with increasingly stiffer sentences will not solve the problem. Finding the causes of crime is no easy matter. It involves a cause and effect analysis as wideranging and complex as human nature itself. However, to claim that we can solve the problem by getting rid of criminals as long as possible is simply to evade the issue.

[*English*]

The motion before the House today is somewhat of a surprise since it emanates from members of the third party. Sometimes the way they express themselves on such subjects, one would think that the members of the third party have a monopoly on righteousness when it comes to the position of victims.

Their position, I am afraid, is hardly that strong. I suggest that their presentation today of this resolution offers somewhat of an embarrassing contrast for the third party. Today, through their resolution and their arguments, they would have us believe that their priority is the rights of victims and the perspective of victims.

On Monday of this week a group of victims met here on the Hill. They made a very powerful, a very emotional and a very moving presentation in favour of Bill C–68, urging the Senate to adopt the government's proposals on gun control.

Those victims also have a point of view. The men and women who stood on the Hill on Monday in favour of Bill C–68 are victims too. They want Bill C–68 put in place because they know it is in the best interests of victims and the criminal justice system in this country.

It is the members of the third party who have fought so much against Bill C–68 in the past and continue to do so. Perhaps that is the best evidence of the flawed approach of the members of the third party toward the proposition in which today they pretend so strongly to believe.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I enjoyed listening to the speech of the justice minister.

A year ago Reformers brought up the same issue, asking the government to be a little more active in trying to protect victims and their rights. For years, the criminal justice system—as a lawyer, he would know this—has been geared toward the rights of the criminal. From the moment the offender is arrested to the moment of the expiration of the sentence, our system is built around the criminal. The victim has been generally ignored.

We brought this to the attention of the House. There has been some movement and very little improvement. We want to make more improvement.

If Parliament is intent on protecting society, it should and will have to recognize and codify victims' rights. As a party we have pushed four issues: official standing in court cases and parole hearings, which the minister has not invoked; mandatory victim impact statements and victim compensation, where there is an opportunity to draw from the criminal himself or herself some compensation, and to recognize that the rights of the victim outweigh the rights of the criminal.

Our charter of rights and freedoms in some ways give criminals privileges that are unheard of. We talked a year ago about the 46–year old woman, mother of three children, who was raped by a convict on day parole. The victim tried to get a Quebec court to compel her attacker to take a blood test for HIV but the court ruled against her, saying that the blood test would compromise the rights of the accused rapist.

Protecting the rights of the accused at the expense of the victim of a crime is a crime in itself. Today, we have the Bernardo and the Homolka situation. We have two prisons that are connected by a tunnel—

The Deputy Speaker: Will somebody tell the minister it is normally expected that the minister would wait and reply to questions and comments. I thank the minister for coming back.

• (1725)

Mr. Silye: Mr. Speaker, I posed the question. He is a busy man. Maybe he is going out to fix up our victims rights. Maybe he is going to do something about the bill.

Getting back to the point I was making about the two prisons where Bernardo and Homolka are held, a tunnel connects the two. According to the charter of rights and freedoms, he is going to be able to have conjugal visits with members on the female prison side. This is not punishment.

Mr. Hoeppner: It's ludicrous.

Mr. Silye: It is ludicrous, I agree with the member from Manitoba.

I guess I need another preamble for my question. I believe that we should make violent criminals—that was my comment and now to the question for the—

Some hon. members: Oh, oh.

Mr. Silye: We are laughing and joking, but it is not really funny.

This man has been the justice minister for two years. All he wants to do is register firearms at a cost of $400 million and impose a bunch of ludicrous infringements on private property and carrying on like that, rather than doing what really is important which is toughening up the criminal justice system, making our streets safer and actually punishing people who commit crimes.

It is wonderful to talk about the causes of it. It is wonderful to look at how we can help these people to not commit these crimes. Those are solutions that are of a much longer term. In the short term the punishment should fit the crime and parole should not be given to violent offenders.

Why not make violent criminals serve their full sentence without possibility of parole? Why not get tougher with the criminals, show that the justice system is tough, then look at the rights of the victims and give them the satisfaction that at least the government of this land is looking after their rights and not just the criminals rights.

Mr. Rock: Mr. Speaker, may I first of all make it clear that I intended no disrespect to the hon. member when I left the Chamber for a few moments. I am sure he knows that and I trust that the Speaker knows it as well.

In response to the point raised by the hon. member, I take it that what he is advocating is a balance in the approach. We must take steps to strengthen the criminal justice system. We must also be sensitive to the rights and the interests of the victim. I believe that is what we have reflected in the steps we have taken as a government.

We have introduced in Bill C–68 mandatory minimum penitentiary terms, the longest in the Criminal Code, for those who use guns in crime. That is a very significant punitive element in the criminal law. I know that it has the support of the members of the third party.

At the same time in Bill C–41 we have recognized the role and the rights of the victim in the strengthened restitution provisions. We have changed the section 745 procedure so that they are guaranteed a role in such applications. In Bill C–42 we have made it unnecessary for them to go to court, for example, when—

[*Translation*]

The Deputy Speaker: It being 5.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81, the proceedings on the motion have expired.

PRIVATE MEMBERS' BUSINESS

[*English*]

PARLIAMENT OF CANADA ACT

Mr. John Solomon (Regina—Lumsden, NDP) moved that Bill C–314, an act to amend the Parliament of Canada Act (other pension income), be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased today to say a few words at second reading of my private member's bill, Bill C–314. I made a few comments when I introduced it but for members in the House today I want to remind them that this bill is an act to amend the Parliament of Canada Act (other pension income). The bill requires all pension or retiring allowance payments received by a member of Parliament which are paid from public funds to be deducted from the member of Parliament's sessional allowance payments.

The following occupations fall under the definition of a public or retiring allowance paid from the public purse: a member of the legislative assembly of a province or a provincial parliament; a member of the public service of Canada or a province; a judge of any court in Canada; a member of the Canadian forces; a peace officer; an employee or officer of a crown corporation of the crown in right of Canada or of a province; an employee or officer of a board, bureau, commission, council, institute or agency of the crown in right of Canada, the crown in right of a province or a municipality; an employee or officer of a publicly funded school, school board, college, university or hospital; an employee or officer of an organization that the board by law orders to be an equivalent organization, crown corporation, agency of the crown, or college, university or hospital.

The bill is a reverse double dipping bill. There are two definitions of double dipping. The first is members of Parliament with pensions taking government jobs while still drawing their parliamentary pension. This definition has been primarily

dealt with in Bill C–85. The President of the Treasury Board introduced the bill and it was passed. It was part of the pension adjustment bill.

The second definition of double dipping, which this bill addresses, is MPs elected while collecting a public pension. They are receiving in essence a pension from a position which I made reference to plus receiving their member of Parliament allowance.

For example, there is a former MLA in this assembly who receives a pension of approximately $61,000 annually. He was elected to the House and receives a full salary as a member of Parliament as well. Therefore he is earning something in the order of $165,000 for serving the public. This bill would take the $61,000 pension and subtract it from the $64,400 which is due to a member of Parliament, thereby only paying this person to continue to serve the public at the federal level his $61,000 pension and $3,400.

I will take the House through a bit of the history of double dipping in Canada. Prior to 1976 pensions of the Royal Canadian Mounted Police, members of Parliament, the military and public servants were regulated by Parliament and the regulations were quite uneven. A former member of the military could not keep their pension if elected to Parliament, yet a civil servant could. It was also not possible for a former member of Parliament to join the public service and collect their pension. The rules did not allow for a level playing field. Certain occupations were eligible to collect pensions while working in another occupation, while others were not.

This was updated in 1976 but instead of preventing all public pensioners from drawing a salary and a public pension, the process was opened up to allow them to collect both. In hindsight this was a costly, unfair and unacceptable practice, as it is now, in light of our fiscal situation and in light of a significant increase in unemployment, in particular with young Canadians.

The purpose of a pension is to provide income to an individual in recognition of years of service. In essence it is a deferred income or a deferred benefit earned while working to be paid when one retires. It is meant to sustain retirees in a satisfactory manner during retirement. A public pension is provided by the taxpayers so that the retiree has a source of income.

The proposal I am putting forward through Bill C–314 is seen in other jurisdictions. For example, it is a policy with many school boards to deduct salaried earnings from retirees who go back to the classroom to teach so they are not double dipping, receiving a pension from the school board as well as receiving a full time salary—doing two things; double dipping in terms of getting double revenue for doing one job and also taking the job away from somebody who needs it much more than the person who is receiving a substantial pension.

This policy was established because school boards could not justify to the taxpayer that a teacher should be able to earn a salary from teaching when they claim to be retired from the very profession in which they are working.

• (1735)

The bill would save the House of Commons literally millions of dollars annually because the payroll would be reduced. As well, there are currently at least 60 members of Parliament who could be affected by the bill. The numbers are approximate, we do not know for sure. A number of Liberals, Bloc members and Reform members are currently receiving pensions from previous public service and collecting a full salary as members of Parliament. They fall into the categories of MLAs, MPPs, municipal politicians, teachers, military officers, peace officers and various and sundry civil servants.

Some are receiving generous pensions and others will be eligible soon for benefits while still serving as a member of Parliament. The bill reflects the fact that these individuals are continuing in their role of serving the public and should not be paid twice. They should not be considered retired from public life and then pursue a career as a member of Parliament and be paid twice to serve that very same public.

Many members of Parliament in most veins agree that serving Canada is an honour and a privilege. We should not abuse that privilege. All we do by receiving a public pension while being a member of Parliament receiving a full salary is add to the cynicism of the public by abusing the goodwill of the Canadian taxpayer.

Bill C–314 recognizes that despite the level of government there is only one taxpayer paying the salaries of MPs, retired municipal politicians and retired civil servants. If a retired person becomes a member of Parliament, that person should no longer be considered retired.

The government does not allow persons who are collecting unemployment insurance benefits to collect welfare benefits at the same time. We have this in other jurisdictions such as school boards and unemployment insurance. UI does not allow persons to collect unemployment insurance while holding a job either. If a person does this they are considered to be cheating the system. Why are members of Parliament exempt from this form of double dipping? In essence those of us who are receiving pensions could be considered cheaters on the taxpayers.

We cannot expect Canadians to tighten their belts with massive cutbacks to government programs while we receive a public pension and a public salary at the same time. Contributions members of Parliament would make in terms of savings could go toward a special fund.

For example, consider a member who makes $61,000 in pension income. That $61,000 could go to this fund which could be used on an annual basis to be paid directly on the deficit. This could provide very significant leadership to Canadians in the sense that the members who receive these pensions with this deduction from their MPs salary could use this fund annually

toward reducing the deficit while telling Canadians we are making some very difficult choices and that we also believe as members of Parliament we are to make some difficult choices ourselves which will address the deficit issue.

We also see an opportunity to save money for taxpayers. However, we have seen governments in the past, and particularly this Liberal government, make some significant cuts to transfer payments in the health, education and social service areas. It is not really saving money. It says it is saving money by cutting back $7 billion this year with respect to health, education and social services costs but all it is really doing is transferring this to other levels of government, the provincial governments and the municipalities across the country. The taxpayer has to make up the difference of the $7 billion.

We are also seeing a government making cutbacks to unemployment insurance. In Saskatchewan's circumstance we have seen the unemployment insurance program cutback so dramatically in the last two years that over 15,000 people have been taken off UI as a result of the new cutbacks by the Liberal government. They are now being put on the Saskatchewan assistance plan case load, which costs an extra $63 million a year.

In addition to the unemployment insurance reductions, the Liberal government has transferred responsibility for providing assistance to off reserve status Indians, adding another 10,000 people to the welfare case load of Saskatchewan alone at an estimated cost of $37 million. We have seen $63 million, $37 million, $100 million on those two initiatives under the unemployment insurance benefit scheme alone.

• (1740)

The Liberal government was elected on the platform of providing jobs and of course it has thrown more people out of work and on to welfare rolls in Saskatchewan than ever before, adding to the burden of the Saskatchewan taxpayer.

Bill C–314, which I am proposing, would assist in a very minor way but illustrates the Liberals have no new ways of trying to save money. All they want to do is pass off the expense of running our country to another level of government.

I will say a few words now about double dipping in the Reform Party. If the Reform Party is concerned about double dipping, it would support the bill. The bill creates a level playing field. Members of Parliament would see retirement income deducted from their paycheque during their tenures as members of Parliament.

Members of the Reform Party have stated they would not accept the parliamentary pension before age 60. Yet there are Reform MPs who gladly accept publicly paid pension benefits from the provincial governments they have served in other public sector jobs, be it teaching, municipal governments or other provincial government sectors.

This in my view is hypocrisy on the part of the Reform Party. The Reform Party is insulting the intelligence of Canadian taxpayers. If it is wrong for a former member of Parliament to accept his pension and take a public sector job, then why can a former MLA now in the Reform Party receiving a $61,000 a year pension not do the same thing when he becomes a member of Parliament?

Reform Party members must lead by example and voluntarily deduct their pension incomes from their salaries and give the difference back to the House of Commons or to the deficit.

I have some very profound arguments and a great deal of support for the bill. Barbara Yaffe of British Columbia wrote in the Ottawa *Citizen* on April 20:

> Now that the diabolical double dip has been addressed, the Chrétien government might want to take action on the reverse dip.
>
> Double dipping is to be forbidden under the reforms to the MPs' pension plan announced in February by Treasury Board President Art Eggleton. But the reverse dip was not mentioned in those reforms.

The column was quite laudatory for me and with respect to this bill. She does quote a number of members of Parliament who are serving in the Reform and Liberal parties: the member for Bonavista—Trinity Conception, a retired naval rear admiral; the member for Lethbridge; the member for Nanaimo—Cowichan; the member for Saanich—Gulf Islands, a former armed forces officer, and it goes on and on. I would like to read the whole article but I do not think it would be appropriate at this time. However, the bottom line is there is a great deal of support for the bill.

I am not doing this out of mischievousness. I am doing this because it is a serious issue for Canadians and for Parliament. I am doing it with sincerity. As a former member of the Saskatchewan legislature, I have gone on record before and after the election that if I was serving my country in the House of Commons I would never take a pension for my former service as a member of the Saskatchewan Legislative Assembly. I will stick by that regardless of whether the bill is passed.

I reaffirm my position that as a former member I will not take a public pension, my legislative pension or my pension as a corporate planner with Saskatchewan Telecommunications because I believe it is a privilege to serve my constituents, my province and my country. Regardless of what position I am in, I will take only the salary due to me and disregard and postpone taking any pensions I am entitled to.

In this regard I am putting the bill forward in a serious manner. I hope that members of the Reform Party and the Liberal Party will join with me in supporting the bill.

• (1745)

There are a few more things I would like to add with respect to some of the impacts on the bill but I note that the Liberal member opposite is anxious to say a few words on it.

There have been some comments in the House today concerning the MPs pension plan. There are members of Parliament who will argue that members should not receive any pension whatsoever. For those who argue for no pensions, one has to question their motives. Is it because they already have a pension, or is it because they are representing interests which will pay them handsomely for doing other things? Or is it simply an attempt to falsely bribe the electorate into believing that if the MPs are not worthy of pensions or MPs should not take pensions they might be more worthy of support by the electorate?

I think those arguments are false. People will support honest, hardworking politicians who are fair, who work to build our country and who raise taxpayers' money fairly and spend it even more fairly and wisely in a very accountable fashion. People will agree that if we are not doing a good job or if we are corrupt or dishonest, we deserve nothing. In fact, nothing is still too much for some in people's minds because of the lack of work they have done or the corruption they have been involved with.

No one disagrees with that but it does not mean because there are some bad apples in a profession that all are bad, or in the case of members of Parliament that none deserve or are entitled to pensions. I do not subscribe to that.

I believe if taxpayers treat their members of Parliament satisfactorily in terms of pay and benefits, be they current or deferred or both, that the members of Parliament will be responsible and accountable to those who pay their salaries and benefits. If members of Parliament or any other elected official are not paid satisfactorily, they will receive income from other sources. Perhaps they will be accountable to those other sources more so than those people they are representing in this wonderful institution called the House of Commons.

I do not take for one second the argument that members of Parliament should not take a pension if they deserve it, if they have earned it and if they have served their country well. There is some room to manoeuvre in terms of the possibility of not having served the country in an honourable or honest fashion. Then perhaps some penalties might arise. However, I certainly believe Canadians would agree that if a member has worked and earned his or her pension then the member is entitled to it.

There will always be a debate on how much the pension should be, but the point is that the concept of a pension is realistic. If a member of Parliament receives a pension, the member will work hard in this House of Commons to ensure that all Canadians receive a fair pension.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened with interest to the remarks of the hon. member for Regina—Lumsden as he introduced this private member's bill. While he may have had some very virtuous points, I think his bill is misguided.

It is unfortunate that this bill cannot come to a vote because then we could make a decision on it. However, it is not a votable item so we will have to make do and it will be dropped from the Order Paper after the debate. That is not going to stop me from expressing my views about the hon. member's bill, of which I am sure the hon. member for Mackenzie was a reluctant seconder.

Having said that, it is important to look at what the hon. member has proposed in reality. While it may have a superficial appeal in terms of actual fairness, I suggest it is not exactly what Canadians would want.

Canadians earn pensions in the course of their employment as part of the remuneration for the employment they are engaged in. In other words, if I take a job and am paid a specific salary, attached to the job will be the possibility of a pension.

• (1750)

Let us assume that the job is one that has a pension attached. My salary will be lower than it might otherwise be in order for the employer and I to contribute to a pension plan. We will contribute at varying rates according to the terms of the contract but nevertheless, contributions will be made to a pension plan.

It will be understood that that is deferred compensation. It is money that I am not being paid in the course of my employment to ensure that I receive additional moneys later. I make that agreement when I make a deal with an employer. The hon. member knows that all kinds of persons engaged in employment contracts make those kinds of deals.

He is now saying that where a person is subsequently elected to the House of Commons, at the time that he is entitled to draw a pension from another source, that pension should not be paid to him or her. Or, if it is paid, his or her salary as a member of Parliament is reduced by the dollar amount of the pension.

Let us imagine for a moment that in my previous employment I had been engaged in a place where I earned a pension. I was not, but suppose I was. Suppose that on my election to the House because I had left my previous employment I was eligible to a pension of $30,000 a year. That would mean my sessional

indemnity as a member of Parliament would be reduced from the standard $64,000 to $34,000 because I was receiving this additional pension from my previous employment. They were funds that I had earned in the course of that employment and which were payable to me as a result of that work.

Let us assume that the hon. member for Regina—Lumsden had no pensionable earnings from previous employment. He came to the House and earned his $64,000. What inducement would there be for me to work on a full time basis as a member of Parliament when my salary was less than his? I would be paid $30,000 less by Parliament for doing exactly the same job presumably he was elected to do. Why should I do that? Why should I be paid on a different basis?

We are all paid the same amount as members of Parliament. Some of us work harder than others. We accept that fact, but the House does not make any differentiation between that. We are all paid the same and it is assumed we all do the same work. We all certainly have the same responsibility.

Some of us get a little extra money because we are parliamentary secretaries or cabinet ministers. However as members of Parliament, we all receive the same basic pay. It is not adjusted downward because one of us receives a pension. Yet, the hon. member not only would draw that distinction between MPs, he would then draw it only in respect of those who received pensions from a public sector pension fund.

If mine happened to be from a private employer, I could keep my money and take no reduction. If it came from a public sector employer, I would take a cut in my pay as a member of Parliament. I do not think it is fair and the hon. member on serious reflection would realize it is unfair.

Tempting as it is to go after his friends in the Reform Party, that is not the way to do it. Pensions represent deferred earnings. The sessional indemnity that members of Parliament earn is paid for us to do our job here. After all, we are paid to do the job we were elected to do at the specified rate I have indicated. That rate surely is one that is not overly generous. To suggest that it ought to be reduced because someone gets a pension modest or otherwise from another source is unfair.

Who will be prejudiced by the hon. member's bill? Let us look at who is likely to end up suffering. It will be those who are over an age where they could draw a pension. Younger members of Parliament will not qualify for a pension in any event. It will almost exclusively be more senior members who will be affected by this. Senior members are here to work as are the younger members. Why should they be paid less as members of this Parliament because they are older and entitled to another pension? I ask the hon. member to reflect on that. I do not think he has in drafting the bill.

There is no reason for the hon. member to assume that all public pensions are heavily subsidized the way the MPs pension has been until the recent changes the government brought in and which I assume is the evil he is driving at. He is suggesting that because public pensions are somehow subsidized by the taxpayer they are a polity different from those that are paid by private employers and therefore a public sector pension should result in the lowering of the MPs salary.

I do not agree because many public sector pensions are not subsidized heavily by the taxpayer. They are paid on the basis of matching contributions by employer and employee, as are private sector pensions. I suggest there is nothing unfair about that.

• (1755)

The ability to draw a pension from one employer, private or public, when working with another stems from the fact that the individual completed a career and has moved on to another. In private work if I have qualified for a pension in my first job and move to a second job and draw the pension, that factor is not taken into account by my second employer in determining salary. That matter will be negotiated between me and the second employer. If I happen to be in an organization where the rate of pay is fixed by some kind of collective agreement, I will be paid at a standard rate with no possible reduction because I happen to be receiving a pension from another source.

Given that, why would the hon. member seek to interfere in that employer–employee relationship particularly those under a collective agreement which he says he and his party support so staunchly?

We all know what happened in Ontario with the recent New Democratic Party government. The New Democrats claimed to be the great friends of labour but by the time they left office after the last provincial election everyone acknowledged they were not the friends of labour. In fact they were probably the greatest enemies the Ontario labour movement had for some time, until the Mike Harris government came in, but that is another matter. We all remember with great fondness the Rae days the former premier imposed in the province of Ontario. The hon. member for Lisgar—Marquette may not be fully conversant with the disaster we suffered in Ontario for the five years ending earlier this year. It seems we have moved from one disaster to another in our province.

I see the chief government whip is advising me that the gun control bill has cleared the Senate, 64 votes to 28. Mr. Speaker, I thought you would want to know. presume that is without any amendments.

Mr. Boudria: That is right.

Mr. Milliken: That is very good news.

The other problem with the hon. member's suggestion, as I have indicated, is we would end up with great inequality in the House where two members of Parliament sitting side by side in the House might find themselves earning different amounts because one happened to draw a private pension and one happened to draw a public pension.

Mr. Solomon: That happens now.

Mr. Milliken: Yes, it happens now because members come here with varying amounts of money. Some are well to do. Some may have a very substantial investment income. They still get paid a salary of $64,000 and change for doing their job as a member of Parliament. Every single member of Parliament gets that.

The ones who are getting paid extra, and I point this out to the hon. member, are the ones who are doing work which is additional to their work as members of Parliament. He may not think that the additional work is significant but the fact is all the ones who are getting paid extra are being paid extra because they do additional work. All the ones who are not doing additional work in this House are receiving the same amount of money.

I quote the hon. member for Calgary Centre who justified one of his own members receiving a pension from a provincial legislature by saying: "The member the Liberal MP asked me about is not guilty of double dipping. It is not double dipping. This individual served in the provincial legislature. This individual resigned from the provincial legislature. This individual offered his services to the Canadian public on a federal basis".

The hon. member for Lisgar—Marquette loves it when I quote one of his colleagues.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I compliment the hon. member for Kingston and the Islands. I finally heard the fact that I can agree with him, that what the member for Lethbridge is doing is not double dipping. We have heard the Liberals so often saying: "The double dipper is sitting right there". Finally they have seen the light. Thank you for that, Mr. Speaker. We are making progress in the House. That is what I like to see.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak on this bill. I listened to the very eloquent remarks of the hon. member for Kingston and the Islands.

I am sorry I was not here for previous remarks but I was in the other place watching the other place do the right thing. NDP members would have acknowledged it at one point, but more recently they do not acknowledge quite as much that gun control is a good thing.

• (1800)

In any case, the other place passed gun control, as the member for Kingston and the Islands indicated, 64 to 28. That is excellent news. All Canadians, except for a handful of New Democrats and a larger handful of Reformers, would agree. That is a very good thing.

Mr. Speller: Mr. Speaker, I rise on a point of order. I heard the hon. member talking about something going on in the other place. What did he say the Conservatives did over there? I was not quite clear as to what he said.

The Deputy Speaker: I appreciate that the hon. member is being light hearted, I believe, but we do have rules of relevance in the House. As you know, the Chair often sits here and squirms and wonders why we do not observe those rules. Normally the Chair waits for a member to get up and say that somebody is speaking totally off the subject. I am sure the hon. chief whip to the government party will make his remarks relevant to the subject very soon.

Mr. Boudria: Mr. Speaker, I am pleased to speak to the bill, but at the same time I am also pleased to inform the House that some Conservative members in the other place voted for the bill, some voted against the bill, some abstained and so on. In other words it is the same thing as usual: several different messages coming from the Tories.

We are back to Bill C–314. I am pleased to be speaking about that. The hon. member from the New Democratic Party is proposing this bill to us today. As my colleague for Kingston and the Islands has indicated, this is not a bill that some of us are willing to support.

The bill would create a number of inconsistencies. Apparently one of the issues is the concern for public funds. It is interesting that some public pensions would be applicable in terms of the reduction from salaries and others would not. For instance, if an MP happened to be older than 65 years of age, the CPP or QPP provisions would not be reduced, even though that is a public pension as well, but other pensions would. OAS would not be covered, veterans pensions and so on, but military pensions would. You can see that there are a number of inconsistencies created in what the hon. member is trying to address.

The government has gone a very long way toward improving the pension plan for members of Parliament. I believe the government has done the right thing. I was pleased to support the government's initiative. I was pleased to defend it. I did not happen to think there was much wrong with the system as it existed even prior to that change, but some people feel, and those in the Reform Party are in that category, that MPs should have less pension and virtually double the salary. This is what the member for Calgary Centre has suggested.

When I was asked by the media what the chances are of doubling MPs' salaries, I said it is about the same as the chances

of Brian Mulroney being re–elected. In other words, it is not a very likely proposition, to put it mildly. Most Canadians would not look too favourably on either one of those two situations. Of course that did not happen.

It is wrong as well to somehow portray, either through the bill or others, that MPs are overpaid. I do not share that view. I am not suffering. I believe I am making a decent salary. In comparison with other people in society, I do not believe that we are overpaid. In my province of Ontario, a high school vice–principal—there must be two dozen of them in my constituency—is paid a salary which is larger than mine. A high school principal makes even more. Then there are the school superintendents, the directors of education and so on. I am only addressing people in the public sector involved in education.

• (1805)

Mr. Hoeppner: Do they get a living allowance?

Mr. Boudria: The hon. member opposite asks about a living allowance. I do not get one. I do not qualify for such an allowance. Perhaps he does not know that. I do not qualify because I do not operate two homes.

Mr. Hoeppner: What about mileage?

Mr. Boudria: People who travel for a living are reimbursed for their mileage expenditures. That is fairly standard. The hon. member opposite knows that.

People in the educational sector, those who travel from school to school, get a travel allowance. The hon. member knows the answers to all these questions. He is just trying to be funny. Heaven forbid that he would not know better than what he is pretending today. If he does not, maybe it is a lost cause.

At some point in the future, perhaps not in this Parliament, because I do not see how it could be done, I would like to see the whole issue of compensation for MPs revisited. There have been two reports in this Parliament which both recommended an overall increase in benefits. Of course that will not happen.

We even had a party which pretended that MPs should receive 15 per cent less. Some of them adhered to that principle, others pretended to do it and others did not. We never knew which was which. The scheme was abandoned because it was not appropriate. The public was being fooled.

Some of them said that they were not using their tax free allowance and were giving it back. However, once the MPs' pension was reduced they said that they would keep it to create their own pension scheme.

The Reform Party's preachings in this area are a little less than totally sincere.

[*Translation*]

It has been a pleasure to speak to this bill, which would require all pension or retiring allowance payments paid from public funds to be deducted from the member's sessional allowance.

However, there are certain aspects that are not given sufficient clarification in the hon. member's proposal. First, some public pension plans are not paid from public funds. That is number one.

There are entities in this country that are neither public nor private, in other words, they are sort of in–between. And finally, of course, even if a pension is public, that does not necessarily mean it is subsidized by the government or by the public jurisdiction concerned.

As far as I am concerned, I do not intend to support this bill and I would urge my fellow members to do likewise.

[*English*]

The Deputy Speaker: There being no further members rising for debate and the motion not being designated as a votable motion, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper.

[*Translation*]

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.

(The House adjourned at 6.11 p.m.)